

Jennifer Wood
Mayor

Chuck McGuire
Mayor Pro Tem

Bill Smith
Council Member

James Gray
Council Member

Rick Warren
Council Member



AGENDA

CITY OF CALIFORNIA CITY CITY COUNCIL

**Tuesday January 26, 2016
6:00 p.m.**

Council Chambers
21000 Hacienda Blvd.
California City, Ca 93505

If you need special assistance to participate in this meeting, please contact the City Clerk's office at (760) 373-7140. Notification of 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 American Disabilities Act Title II)

NOTE: Any writings or documents provided to a majority of the City Council regarding any item on this agenda is available for public inspection in the City Clerk's office at City Hall located at 21000 Hacienda Blvd, California City, Ca during normal business hours, except such documents that relate to closed session items or which are otherwise exempt from disclosure under applicable laws. These writings are also available for review in the public access binder in the Council Chambers at the time of the meeting.

LATE COMMUNICATIONS: Following the posting of the agenda any emails, writings or documents that the public would like to submit to the council must be received by the City Clerk no later than 3pm the Monday prior to the meeting. Past that deadline citizens may bring these items directly to the meeting. Please bring 10 copies for distribution to council, staff and the public.

Agenda
January 26, 2016

*****At this time, please take a moment to turn off your cell phones*****

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE / INVOCATION**
3. **ROLL CALL**
Councilmembers Gray, Smith, Warren, Mayor Pro Tem McGuire
Mayor Wood
4. **ADOPT AGENDA**
5. **CITY CLERK REPORTS / LATE COMMUNICATIONS**
6. **PRESENTATIONS**
Treasurer Keith Middleton – December 2015 Report
Optimist Club – 2015 Holiday Village Video
7. **STAFF ANNOUNCEMENTS / REPORTS**
Police Chief Hurtado – Department Update
Fire Chief Armstrong – Department Update
Public Works Director Platt – Department Update
Finance Director Rudy Hernandez – Department Update
Brenda Daverin – Parks and Recreation Update
City Manager Weil – City Updates
8. **CIVIC / COMMUNITY / ORGANIZATIONS ANNOUNCEMENTS**
9. **PUBLIC BUSINESS FROM THE FLOOR** This portion of the meeting is reserved for persons desiring to address the City Council on any matter not on this agenda, and over which the City Council has jurisdiction. Please state your name for the record and limit your comments to three minutes.
10. **CONSENT CALENDAR**
 - CC 1. **CITY CHECK REGISTERS:** dated through 01/20/16
 - CC 2. **MINUTES:** Regular Meeting dated 08/18/15,
Special Meetings dated 09/22/15, 10/13/15, and 10/27/15

Waive reading of subject minutes, approve as written, and order filed
 - CC 3. **REJECTION OF CLAIMS:** Willie C. Brown
 - CC 4. **Adopt “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AUTHORIZING SUBMITTAL OF APPLICATION FOR PAYMENT PROGRAM AND RELATED AUTHORIZATIONS” (CalRecycle)**
 - CC 5. **Adopt “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY APPROVING FY 2016-17 BUDGET AND FISCAL POLICIES”**
 - CC 6. **Request of Extension of Park Hours: CDCR Event**
 - CC 7. **Renewal of Knights of Columbus Council #6705 (DBA “Friends of Our Lady of Lourdes”) Bingo Permit**
 - CC 8. **Fire Department: Controlled Substance Accountability**
11. **PUBLIC HEARING**
 - PH 1. **Proposed Ordinance: Zoning Regulations Revising Language Pertaining to Permitted and Conditional Uses in All Commercial Zones** – City Manager Weil

PUBLIC HEARING PROCEDURE

- A. Mayor read the item

Agenda
January 26, 2016

- B. Mayor declare Public Hearing open
- C. Hear staff report
- D. Council questions only
- E. Ask city clerk to report on any communication(s)
- F. Mayor call for public testimony
- G. Close Public Hearing by motion
- H. Council discussion
- I. Council motion and vote

Recommend

Council discuss, take public comments, and give First Reading, by Title only, with Further Reading waived of **"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AMENDING CHAPTER 2 OF TITLE 9 OF THE CALIFORNIA CITY MUNICIPAL CODE RELATING TO ZONING REGULATIONS PERTAINING TO PERMITTED AND CONDITIONAL USES IN ALL COMMERCIAL ZONES"**

PH 2. Proposed Ordinance: Zoning Regulations Pertaining to the Incorporation of Manufactured Units in the Commercial and Industrial Zones

****This item will be pulled prior to the adoption of the agenda and rescheduled for a future date****

12. CONTINUED BUSINESS

CB 1. Tierra del Sol Golf Course: Fence Change Order – City Manager Weil

Recommend

Council discuss and approve the \$11,860.00 change order from Fence Masters as presented

CB 2. Review and Approval of Accounting Policies Manual – Finance Director Hernandez

Recommend

Council discuss and approve the Accounting Policies Manual as presented

13. COUNCIL AGENDA

This portion of the meeting is reserved for council members to present information, announcements, and items that have come to their attention. The Brown Act precludes Council, staff or public discussion. Short staff responses are appropriate. The Council will take no formal action. A Council member may request the City Clerk to calendar an item for consideration at a future meeting, or refer an item to staff.

- 1) **AB 1234 Reports**
- 2) **Council Items**

**Councilmember Gray
Councilmember Smith
Councilmember Warren
Mayor Pro Tem McGuire
Mayor Wood**

14. ADJOURNMENT

AFFIDAVIT OF POSTING: This agenda was posted on all official City bulletin boards, the City's website and agenda packets were completely accessible to the public at City Hall at least 72 hours prior to the Council Meeting.

Denise Hilliker, City Clerk

California City, California 93505
TREASURER'S MONTHLY REPORT OF INVESTMENT
December 2015

The general investment portfolio consists of funds for operations, capital improvement projects (CPI), water rate stabilization, administration replacements and reserves.

General Investment Accounts	Balance on 11/30/2015	Net Transactions	Balance on 12/31/2015	Percent of Total
Local Agency Investment Fund (122)	\$ 1,509,787	\$ -	\$ 1,509,787	23.89%
Kern County Investment Fund (20202)	\$ 4,009,936	\$ -	\$ 4,009,936	63.45%
Certificate of Deposit with Mission Bank	\$ 800,602	\$ -	\$ 800,602	12.67%
Sub-Total Investment Accounts	\$ 6,320,326	\$ -	\$ 6,320,326	100.00%
General Operating Accounts	11/30/2015	Net Transactions	12/31/2015	
Bank of the Sierra -- General Checking	\$ 977,455	\$ -	\$ 977,455	95.49%
Bank of the Sierra -- OHV Permits	\$ 23,400	\$ 21,422	\$ 44,822	4.38%
Petty Cash - City Hall	\$ 500	\$ -	\$ 500	0.05%
Petty Cash - City Manager	\$ 200	\$ -	\$ 200	0.02%
Petty Cash - Fire	\$ 250	\$ -	\$ 250	0.02%
Petty Cash - Police	\$ 250	\$ -	\$ 250	0.02%
Petty Cash - Parks & Recreation	\$ 100	\$ -	\$ 100	0.01%
Sub-Total Operating Accounts	\$ 1,002,155	\$ 21,422	\$ 1,023,577	100.00%

Restricted Agency Accounts				
Checking Accounts	11/30/2015	Net Transactions	12/31/2015	
Bank of the Sierra -- Successor Agency	\$ 139,728	\$ (18,631)	\$ 121,097	0.14%
Bank of the Sierra -- SDI Account	\$ 60,187	\$ (7,620)	\$ 52,566	0.06%
Sub-Total Checking Accounts	\$ 199,914	\$ (26,251)	\$ 173,663	
Investment Account (Updated Monthly)	11/30/2015	Net Transactions	12/31/2015	
US Bank Investments *	\$ 84,141,458	\$ -	\$ 84,141,458	99.79%
Sub-Total Investment Accounts	\$ 84,141,458	\$ -	\$ 84,141,458	
Total Restricted Agency Accounts	\$ 84,341,373	\$ (26,251)	\$ 84,315,122	100.00%

Grand Total Cash and Investments	\$ 91,663,853	\$ (4,829)	\$ 91,659,024	100.00%
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INVESTMENT POLICY

The Treasurer shall invest the City's monies as permitted in the City's approved investment policy. The Treasurer shall consider current and projected cash needs in making such investments.

* Contact City Treasurer for US Bank investment breakdown.

Keith L Middleton, Treasurer

presentations

California City, California 93505
TREASURER'S MONTHLY REPORT OF INVESTMENT
December 2015

US Bank		
Market Value Summary - CUSTODIAN ACCOUNT	11/30/2015	12/31/2015
Beginning Market Value	83,515,782	83,515,782
Ending Market Value	83,279,372	83,279,372
Investment Results	(236,410)	(236,410)
Market Value Summary - REDEVELOPEMENT AGENCY PROJ AREA TAX	11/30/2015	12/31/2015
Beginning Market Value	2	2
Ending Market Value	2	2
Investment Results	-	-
Market Value Summary - SUCCESSOR AGENCY Proj Area TAX INTEREST	11/30/2015	12/31/2015
Beginning Market Value	1	1
Ending Market Value	1	1
Investment Results	-	-
Market Value Summary - SUCCESSOR AGENCY Proj Area TAX PRINCIPAL	11/30/2015	12/31/2015
Beginning Market Value	2	2
Ending Market Value	2	2
Investment Results	-	-
Market Value Summary - SUCCESSOR AGENCY Proj Area TAX RESERVE	11/30/2015	12/31/2015
Beginning Market Value	862,082	862,082
Ending Market Value	862,082	862,082
Investment Results	-	-
Market Value Summary - (WASTEWATER SYSTEM IMPROV PROJ)	11/30/2015	12/31/2015
Beginning Market Value	-	-
Ending Market Value	-	-
Investment Results	-	-
Grand Total	84,141,458	84,141,458

Note: US Bank statement for December 2015 was not received as of the posting of this report. Information reported is actually November 2015 information. Keith Middleton

Report Criteria:

Report type: Invoice detail
Bank.Bank Number = 1
Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
01/16	01/13/2016	96244	Dennis Automotive	Auto Service: Labor Cost on	17402	2,625.00	2,625.00
Total 96244:							2,625.00
01/16	01/13/2016	96245	Martha's Cleaning Service	Janitorial	1312	320.00	320.00
Total 96245:							320.00
Grand Totals:							2,945.00

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 01/13/16Finance Director 

Report Criteria:

Report type: Invoice detail
Check.Check Number = {>} 96245
Bank.Bank Number = 1
Check.Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
01/16	01/13/2016	96246	Petty Cash - Police Dept	Investigations CR-2265 Pol	011316	160.00	160.00
Total 96246:							160.00
Grand Totals:							160.00

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 1-13-2016Finance Director 

COPY

CC1

Report Criteria:

Report type: Invoice detail

Bank Bank Number = 1

Check Voided = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
01/16	01/19/2016	96247	Armstrong, Jeffrey	Per Diem Firehouse Confer	011516	240.00	240.00
Total 96247:							240.00
01/16	01/19/2016	96248	Berry, Cindy	Per Diem Conference for W	011916	60.64	60.64
Total 96248:							60.64
01/16	01/19/2016	96249	Lucero, Theresa	Per Diem Conference for W	011916	91.53	91.53
Total 96249:							91.53
01/16	01/19/2016	96250	So California Edison Co	City Electricity	0987, 5074 0106-20	40,038.13	40,038.13
Total 96250:							40,038.13
01/16	01/19/2016	96251	Verizon	Long Distance Service	7214 82Y 0102-16	404.34	404.34
Total 96251:							404.34
01/16	01/19/2016	96252	Verizon California	Sunny Fax 760373-5452	760-373-5452 1041	105.66	105.66
01/16	01/19/2016	96252	Verizon California	760-FLO-0290 7338 08	FLO 0290 12-28-15	239.59	239.59
Total 96252:							345.25
Grand Totals:							41,179.89

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 1/19/2016Finance Director [Signature]

Report type: Invoice detail
Bank.Bank Number = 1
Check.Voiced = no

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
01/16	01/20/2016	96253	A V E K	M & I Water Charges	22414	387.86	387.86
Total 96253:							387.86
01/16	01/20/2016	96254	Ace Uniforms	Uniforms	285885	684.54	684.54
Total 96254:							684.54
01/16	01/20/2016	96255	Alexander's Contract Services	Meter Readers	201601040081	6,120.31	6,120.31
Total 96255:							6,120.31
01/16	01/20/2016	96256	Alvarado, Nichols-Alvarado, H	Refund 9125 Fuchsia	105075.04	59.21	59.21
Total 96256:							59.21
01/16	01/20/2016	96257	Amber Chemical, Inc.	Hypochlorite Solution	0333917-IN	274.13	274.13
Total 96257:							274.13
01/16	01/20/2016	96258	AmeriPride	Uniform Maintenance	2100493073	132.20	132.20
01/16	01/20/2016	96258	AmeriPride	Uniform Maintenance	2100494923	129.20	129.20
Total 96258:							261.40
01/16	01/20/2016	96259	Andrew Parker	Strip Fire Decals	2015100	100.00	100.00
01/16	01/20/2016	96259	Andrew Parker	Board Up Evelyn	2015101	560.00	560.00
01/16	01/20/2016	96259	Andrew Parker	Board Up Xavier	201599	500.00	500.00
01/16	01/20/2016	96259	Andrew Parker	Residential Board Up	201604	440.00	440.00
01/16	01/20/2016	96259	Andrew Parker	Vehicle Maint. Decals & Fab	201605	100.00	100.00
01/16	01/20/2016	96259	Andrew Parker	Vehicle Maint. Decals & Fab	201606	40.00	40.00
Total 96259:							1,740.00
01/16	01/20/2016	96260	Armstrong Forensic Laborator	Forensic Exam	144332	456.01	456.01
Total 96260:							456.01
01/16	01/20/2016	96261	Artistic Bronze Inc	Plaque for Time Capsule	19382	436.45	436.45
Total 96261:							436.45
01/16	01/20/2016	96262	AT&T Mobility	IPad & Iphone Phone Bill	12182015	2,370.57	2,370.57
Total 96262:							2,370.57
01/16	01/20/2016	96263	Bakersfield Californian	Bid Notice Pool Bldg	14038895 AD	664.69	664.69
Total 96263:							664.69
01/16	01/20/2016	96264	Benz Propane Co, Inc	Propane	238365743	1,015.88	1,015.88
Total 96264:							1,015.88

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
01/16	01/20/2016	96265	Blanton, Ben	Per Diem For Supervisor Tr	122315	160.00	160.00
		Total 96265:					160.00
01/16	01/20/2016	96266	BMI	Base License Fee	9045044	336.00	336.00
		Total 96266:					336.00
01/16	01/20/2016	96267	Bonner, Willie Jr. & Lillie	Refund 9809 Karen	103495.02	19.16	19.16
		Total 96267:					19.16
01/16	01/20/2016	96268	Brandau, Kim	Medical Services Director	2016-01-01	500.00	500.00
		Total 96268:					500.00
01/16	01/20/2016	96269	Burkhart, Michael	Tiny Tots Class	010716	112.00	112.00
		Total 96269:					112.00
01/16	01/20/2016	96270	Canon Financial Inc	Copier Contract	15583933	91.60	91.60
		Total 96270:					91.60
01/16	01/20/2016	96271	Central Cal Surveys LLC	Asbestos Survey	5366,5667	1,650.00	1,650.00
		Total 96271:					1,650.00
01/16	01/20/2016	96272	Chief	Unifoms	433151	324.98	324.98
		Total 96272:					324.98
01/16	01/20/2016	96273	City Hardware	Hardware Supplies - Fire D	123115	6,415.86	6,415.86
		Total 96273:					6,415.86
01/16	01/20/2016	96274	Coast Biomedical Equip. LLC	Maint.& Calibration LifePak	5512	257.00	257.00
		Total 96274:					257.00
01/16	01/20/2016	96275	Coastline Equipment	Unit 229 Parts	276835	112.68	112.68
		Total 96275:					112.68
01/16	01/20/2016	96276	Coldwell Best Realty	Dep Refund 8225 Tamarac	101947.03	65.62	65.62
		Total 96276:					65.62
01/16	01/20/2016	96277	County of Kern Communicatio	Comm Charges	16-03702	363.00	363.00
		Total 96277:					363.00
01/16	01/20/2016	96278	Craig's CPR & 1st Aid Training	Alignment Contract Fee	10953	285.00	285.00
		Total 96278:					285.00
01/16	01/20/2016	96279	Deere Credit	Lease Payment Excavator	1643089	2,324.08	2,324.08

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
Total 96279:							2,324.08
01/16	01/20/2016	96280	Dennis Automotive	Auto Service	17470, 17473, 1744	308.00	308.00
01/16	01/20/2016	96280	Dennis Automotive	Auto Service	17476	301.00	301.00
Total 96280:							609.00
01/16	01/20/2016	96281	Division of State Architect	DAE Fees Bus. Lic. End 123	123115	11.70	11.70
Total 96281:							11.70
01/16	01/20/2016	96282	Donaville, Anthony	Refund 8200 Hemlock	101613.04	38.57	38.57
Total 96282:							38.57
01/16	01/20/2016	96283	Environmental Health	Cross Connections	IN0384142	1,377.50	1,377.50
Total 96283:							1,377.50
01/16	01/20/2016	96284	Fed Ex	Priority Mailings	5-281-13561	76.33	76.33
Total 96284:							76.33
01/16	01/20/2016	96285	Ferguson Waterworks	Wood Shovels 4 each	0538529	235.41	235.41
Total 96285:							235.41
01/16	01/20/2016	96286	Ferguson, Dawn	Mileage Reimbursement 2	011516	78.30	78.30
Total 96286:							78.30
01/16	01/20/2016	96287	Golden Valley Construction	Municipal Airport Westside	15-08-01-02	209,670.40	209,670.40
Total 96287:							209,670.40
01/16	01/20/2016	96288	Gundersen, Bjorn	Refund 9614 Raymond	105680.04	76.64	76.64
Total 96288:							76.64
01/16	01/20/2016	96289	Haaker Equipment Co.	Concave Saw Blade	C18523	169.85	169.85
Total 96289:							169.85
01/16	01/20/2016	96290	HD Supply Waterworks, LTD	Transmission Line Supplies	E947744	1,210.45	1,210.45
01/16	01/20/2016	96290	HD Supply Waterworks, LTD	Pumping Supplies	E951878, E965080	753.13	753.13
01/16	01/20/2016	96290	HD Supply Waterworks, LTD	Gasket	E969906	6.05	6.05
01/16	01/20/2016	96290	HD Supply Waterworks, LTD	Poly Tubing to Replenish In	E975921	2,511.36	2,511.36
Total 96290:							4,480.99
01/16	01/20/2016	96291	Helt Engineering, Inc	12407 Safe Routes	15-496, 15-497	8,690.50	8,690.50
01/16	01/20/2016	96291	Helt Engineering, Inc	13405 Baron to Wonder	15-498	11,132.50	11,132.50
01/16	01/20/2016	96291	Helt Engineering, Inc	14409 Westside Taxiway	15-499, 15-500	11,152.50	11,152.50
01/16	01/20/2016	96291	Helt Engineering, Inc	15411 Water Dev	15-501	2,285.00	2,285.00
01/16	01/20/2016	96291	Helt Engineering, Inc	15412 Eastside Taxiway	15-502	2,332.50	2,332.50
01/16	01/20/2016	96291	Helt Engineering, Inc	15413 Fire Station	15-503	10,547.50	10,547.50
01/16	01/20/2016	96291	Helt Engineering, Inc	15415 Local Agency Maint	15-504	1,627.50	1,627.50

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
Total 96291:							47,768.00
01/16	01/20/2016	96292	Hetherington, Tim & Seeley, B	Refund 7100 Bay	105792.05	32.68	32.68
Total 96292:							32.68
01/16	01/20/2016	96293	Highway Glass Co	Unit 329 Back Window	108674	345.00	345.00
Total 96293:							345.00
01/16	01/20/2016	96294	Holdren, Donovan & Yoko	Refund 10733 Garibaldi	106225.08	48.89	48.89
Total 96294:							48.89
01/16	01/20/2016	96295	Johnson, Charles & Yong	Refund 8812 Holly	101352.07	44.47	44.47
Total 96295:							44.47
01/16	01/20/2016	96296	Kieffe & Sons Ford	Unit 308 Repairs	20766	3,873.07	3,873.07
01/16	01/20/2016	96296	Kieffe & Sons Ford	Heater Hose Unit 316	20800	26.77	26.77
01/16	01/20/2016	96296	Kieffe & Sons Ford	Unit 308 Repairs	20802	112.40	112.40
Total 96296:							4,012.24
01/16	01/20/2016	96297	KME Fire Apparatus	Vehicle Maint. E390	CA 535168	3,457.23	3,457.23
Total 96297:							3,457.23
01/16	01/20/2016	96298	Kosick, Jeremy	ICC Membership	010516	105.00	105.00
Total 96298:							105.00
01/16	01/20/2016	96299	League Of Calif Cities	Membership 2016	158462	5,841.68	5,841.68
Total 96299:							5,841.68
01/16	01/20/2016	96300	Lupton, Nichols	Refund 8160 Kalmia	106642.04	93.11	93.11
Total 96300:							93.11
01/16	01/20/2016	96301	M & M Sports	Yourth Basketball Uniforms	35488	579.05	579.05
Total 96301:							579.05
01/16	01/20/2016	96302	M & S Security Services	Security Service	507- 02,03,04,17	450.00	450.00
Total 96302:							450.00
01/16	01/20/2016	96303	Manning, Brian & Hogan, Barb	Refund 8421 Bolden	103900.03	45.94	45.94
Total 96303:							45.94
01/16	01/20/2016	96304	Markley, John Jr.	Refund 8860 Fir	101458.05	39.09	39.09
Total 96304:							39.09
01/16	01/20/2016	96305	Mc Laughlin, Daniel	Refund 20842 Yerba	101087.01	55.98	55.98

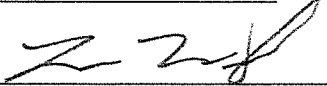
GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
Total 96305:							55.98
01/16	01/20/2016	96306	McIntosh, Sue & Martin Josh	Refund 7306 Xavier	104758.05	38.57	38.57
Total 96306:							38.57
01/16	01/20/2016	96307	Mediawaste Disposal	Medical Waste Removal	6878	6.00	6.00
Total 96307:							6.00
01/16	01/20/2016	96308	Mojave Desert News	Thanksgiving Ad	45012	52.50	52.50
01/16	01/20/2016	96308	Mojave Desert News	Christmas Ad	45230	75.00	75.00
Total 96308:							127.50
01/16	01/20/2016	96309	Mojave Public Utility Dis	Wonder Acres	06-0780-1 123115	1,770.72	1,770.72
Total 96309:							1,770.72
01/16	01/20/2016	96310	Morford, John & Jacqueline	Refund 20841 Nueralia	105223.05	32.57	32.57
Total 96310:							32.57
01/16	01/20/2016	96311	Municode	Republication of code	00264605	2,598.39	2,598.39
Total 96311:							2,598.39
01/16	01/20/2016	96312	Nelson, James & Misue	Refund 8628 Fernwood	101371.04	48.46	48.46
Total 96312:							48.46
01/16	01/20/2016	96313	Nelson, Patrick & Christi	Refund 19560 99th St	102255.05	24.93	24.93
Total 96313:							24.93
01/16	01/20/2016	96314	Obsidian Training Solutions	Pre Hospital Truama Life S	184	2,500.00	2,500.00
Total 96314:							2,500.00
01/16	01/20/2016	96315	Office Depot	Office Supplies	815766818001	68.83	68.83
01/16	01/20/2016	96315	Office Depot	Office Supplies	817455413001	167.44	167.44
01/16	01/20/2016	96315	Office Depot	Station Supplies:Paper Tow	817455476001	127.74	127.74
01/16	01/20/2016	96315	Office Depot	Office Supplies	817465535001	73.06	73.06
01/16	01/20/2016	96315	Office Depot	Office Supplies	817494349001	49.93	49.93
01/16	01/20/2016	96315	Office Depot	Office Supplies	817494481001	23.82	23.82
Total 96315:							510.82
01/16	01/20/2016	96316	Patton Sales Corp	Little League Score Board S	3007156	2,784.43	2,784.43
01/16	01/20/2016	96316	Patton Sales Corp	PW Gate Repair	3008188	96.25	96.25
Total 96316:							2,880.68
01/16	01/20/2016	96317	Perez, Christopher	Refund 8757 N. Loop	103130.03	19.93	19.93
Total 96317:							19.93
01/16	01/20/2016	96318	Petroleum Tank Testing	Monthly Inspection 3 mont	11907	450.00	450.00

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
Total 96318:							450.00
01/16	01/20/2016	96319	Proforce Law Enforcement	Fire Prevention-Arson-Rug	260365	739.49	739.49
01/16	01/20/2016	96319	Proforce Law Enforcement	Arson Ammo	261158	143.35	143.35
Total 96319:							882.84
01/16	01/20/2016	96320	R S I Petroleum Prod	Fuel	1065516, 1065564	1,123.02	1,123.02
01/16	01/20/2016	96320	R S I Petroleum Prod	Fuel	1065517	107.63	107.63
01/16	01/20/2016	96320	R S I Petroleum Prod	Fuel	121515 SEE INSERT	4,316.90	4,316.90
01/16	01/20/2016	96320	R S I Petroleum Prod	Oil	289951	346.37	346.37
Total 96320:							5,893.92
01/16	01/20/2016	96321	Rich, Ian	SCBA Reimbursement Rece	011116	350.00	350.00
01/16	01/20/2016	96321	Rich, Ian	Per Diem SCBA Class	011116-1	285.00	285.00
Total 96321:							635.00
01/16	01/20/2016	96322	Robertson's	Poppy & Yerba Short Load	695262	391.10	391.10
01/16	01/20/2016	96322	Robertson's	Poppy & Yerba Short Load	696886	732.20	732.20
Total 96322:							1,123.30
01/16	01/20/2016	96323	Russell, Robert K.	Aspen Mall Maint.	ENDING 123115	1,444.25	1,444.25
Total 96323:							1,444.25
01/16	01/20/2016	96324	S.C. Friends Tire Inc.	Tire Service	29074	55.00	55.00
01/16	01/20/2016	96324	S.C. Friends Tire Inc.	Tire Service	29147	280.00	280.00
Total 96324:							335.00
01/16	01/20/2016	96325	SA-SO	Line Markers	S15-4564	1,607.53	1,607.53
Total 96325:							1,607.53
01/16	01/20/2016	96326	Sequoia Equipment Company,	Repair Unit 222	1088052	221.38	221.38
01/16	01/20/2016	96326	Sequoia Equipment Company,	Repair Unit 435	2206	13.73	13.73
Total 96326:							235.11
01/16	01/20/2016	96327	Sharper Landscaping Srvs Inc.	Monthly Grounds Maintena	3272	11,333.33	11,333.33
Total 96327:							11,333.33
01/16	01/20/2016	96328	Smith, Andrew	Refund 20348 Airway	105901.05	44.47	44.47
Total 96328:							44.47
01/16	01/20/2016	96329	Souther Calif Gas Company	Gas Pipe Damage 6-19-15 C	91085311	1,121.46	1,121.46
Total 96329:							1,121.46
01/16	01/20/2016	96330	Sparkletts	Water	4687417 010116	40.02	40.02
Total 96330:							40.02

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
01/16	01/20/2016	96331	State Water Resources Contro	Small Water System Permit	SW-1003075	250.00	250.00
Total 96331:							250.00
01/16	01/20/2016	96332	State Water Resources Contro	Examination Fee for Grade	01192016	350.00	350.00
Total 96332:							350.00
01/16	01/20/2016	96333	Statewide Safety & Signs	Street Signs	12002292, 328	819.15	819.15
Total 96333:							819.15
01/16	01/20/2016	96334	Strong, Mike	Storage Rental for Remodel	10116	450.00	450.00
Total 96334:							450.00
01/16	01/20/2016	96335	Thrasher, K & Wines, C	Refund 19900 Taylor	105373.06	34.49	34.49
Total 96335:							34.49
01/16	01/20/2016	96336	TurboData Systems	Citation Processing Service	23802	441.70	441.70
Total 96336:							441.70
01/16	01/20/2016	96337	U P S	Shipping Service Charges	V515, V525	178.89	178.89
Total 96337:							178.89
01/16	01/20/2016	96338	US Yellow Pages	Parks & Recreation Adverti	2350629-33-01	687.00	687.00
Total 96338:							687.00
01/16	01/20/2016	96339	USA Bluebook	Extractors, Safety Glasses	835696, 6661	676.64	676.64
Total 96339:							676.64
01/16	01/20/2016	96340	Verizon California	Broadband Service Police	3988298826 01011	172.59	172.59
Total 96340:							172.59
01/16	01/20/2016	96341	Verizon Wireless	Cell Phone Service	9757950914	1,417.27	1,417.27
Total 96341:							1,417.27
01/16	01/20/2016	96342	Waste Management	Trash Service	3726216-2508-9	520.17	520.17
Total 96342:							520.17
01/16	01/20/2016	96343	Wells Fargo Financial Leasing	Copier Lease	5002733590, 591	6,131.64	6,131.64
Total 96343:							6,131.64
01/16	01/20/2016	96344	Winwater Works	Valve Bolt Kits	008472	238.15	238.15
Total 96344:							238.15
01/16	01/20/2016	96345	Witmer Public Safety Group,	Uniforms	E1415364	84.98	84.98

GL Period	Check Issue Date	Check Number	Payee	Description	Invoice Number	Invoice Amount	Check Amount
Total 96345:							84.98
01/16	01/20/2016	96346	Zee Medical	Medical Supplies	34- 222538, 540, 53	303.91	303.91
01/16	01/20/2016	96346	Zee Medical	Medical Supplies	34-222537	267.15	267.15
Total 96346:							571.06
01/16	01/20/2016	96347	Zoll	Fire RMS Contract	71786-1	227.85	227.85
Total 96347:							227.85
Grand Totals:							356,187.46

I HEREBY CERTIFY AS TO THE ACCURACY OF THE DEMANDS AND AVAILABILITY OF FUNDS:

Dated: 1/20/16Finance Director 

Report Criteria:

Report type: Invoice detail

Bank.Bank Number = 1

Check.Voided = no

**REGULAR MEETING
CITY OF CALIFORNIA CITY
CITY COUNCIL
Tuesday, August 18, 2015
Council Chambers, 21000 Hacienda Blvd.
MINUTES**

CALL TO ORDER

Mayor Wood called the meeting to order at 5:30 pm. City clerk Hilliker called the roll:

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

ABSENT: None

ADOPTION OF AGENDA

Motion by Mayor Pro Tem McGuire, second by Councilmember Smith to adopt the agenda.

Motion carried. 5-0

CLOSED SESSION

CS 1. Pursuant to Cal. Gov't Code §54956.9 (d): Potential Litigation (1) Case

CLOSED SESSION ACTION

City Attorney Bettenhausen reported that the council had given directions in regards to the potential litigation.

CITY COUNCIL MEETING

At 6:00 pm, following the Pledge of Allegiance, the city clerk called the roll:

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

ABSENT: None

CITY CLERK REPORTS / LATE COMMUNICATIONS

JM Powers – letter suggesting that the population estimate were exaggerated in the 2014 Water and Sewer Study.

DJ Twohig – email regarding proposed changes in the CUP Checklist being discussed tonight under CB 2.

PRESENTATIONS None

STAFF ANNOUNCEMENTS / REPORTS

Police Chief Hurtado – K-9 will be out for 2 months after receiving injuries on duty; update on recent incidents

Fire Chief Armstrong – apartment fire on Randsburg was found to be arson, 3 suspects were arrested; updating the 1999 E.O.P.; city is fully staffed as some of the staff have been assigned to the Rough Fire

Public Works Director Platt – department stats; \$718,000. CCB Chip Seal Project is now fully funded; Pre Bid meeting tomorrow for Safe Routes to School Project

Finance Director Rudy Hernandez – FY 13/14 audit went very well, good bottom for 13/14; FY 14/15 audit will take place in October

Parks & Rec Brenda Daverin – blood drive brought in 23 units; 8/27 the Save Our Lake campaign begins; 8/27 Town hall meeting featuring Parks and Rec dept.

City Manager Weil – meeting on 8/27 @ 5:30 pm for Vision 360; beginning in September, council meetings will change to the 2nd and 4th Tuesdays of each month

CC2.

CIVIC / COMMUNITY / ORGANIZATIONS ANNOUNCEMENTS None

PUBLIC BUSINESS FROM THE FLOOR

Al Hutson – cannot verify payments for the Enterprise Fund due to accounting procedures; when are meters going to be set up for Tierra del Sol and Par 3?; City Manager has too much authority

Wade Upchurch – appealing citation for a storage unit (cargo container) on his residential property, requests special exemption

Chuck Hemingway – inquired if the water the city supplies for the sheep paid for.

Pat Bohannon – doesn't understand why the city always makes things inconvenient for everyone else, always losing potential businesses; stated cargo containers belong on industrial property

CONSENT CALENDAR

CC 1. CITY CHECK REGISTERS: dated through 08/13/15

CC 2. READING OF ORDINANCES

Waive reading in full of all ordinances under consideration, and direct the City Clerk to read by title only.

Adopt Ordinance No. 15-734, **"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY, GRANTING A NON-EXCLUSIVE TAXI FRANCHISE TO CALIFORNIA CITY YELLOW CAB COMPANY"**

CC 3. Adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AUTHORIZING OVERTIME AND PORTAL TO PORTAL PAY FOR EMPLOYEES"

CC 4. Proclamation declaring the month of September as Childhood Cancer Awareness Month.

CC 5. OHV Budget Adjustments FY 2014-2015

CC 6. Adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AUTHORIZING THE SUBMITTAL OF AN APPLICATION, ACCEPTANCE OF AN ALLOCATION OF FUNDS, EXECUTION OF A GRANT AGREEMENT CONTINGENT UPON FINAL APPROVAL FOR AN AIRPORTS IMPROVEMENTS GRANT BY THE FEDERAL AVIATION ADMINISTRATION AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION, AND CERTIFYING THE AVAILABILITY OF CITY'S SHARE OF MATCHING FUNDS AND TO AWARD THE MUNICIPAL AIRPORT WESTSIDE TAXIWAYS REHABILITATION PROJECT TO GOLDEN VALLEY CONSTRUCTION"

CC 7. Memorandum of Understanding: California City Miscellaneous Employee Association

Also noted was a clerical error in CC 7.

Mayor Wood announced that ck #94676 is voided; #94696, #94700 #94781 are being pulled from the check register for discussion. City Manager Weil stated there was a date correction in the document, but it had no impact.

Mayor Wood asked that CC3 & CC5 be pulled for discussion.

No public comments.

In regards to **CC3** Mayor Wood asked how those receiving the Red Card were certified. Armstrong explained that they follow the state procedures. Also he has everyone participate in the PACK test. Further explained that the cost for those on the strike teams comes out of Strike

Team Overtime and then reimbursed by the State.

Mayor Pro Tem McGuire questioned why the Chief was doing the certification and the PACK test. Armstrong explained that the city did not have a medical director this year, but next year it will be given by the doctor. Armstrong also added that he has been doing the PACK test since he was hired.

In regards to **CC5** Mayor Wood requested an explanation. Finance Director said that this was a correction due to it previously being omitted. Since it is from the previous fiscal year, council needs to approve. Councilmember Warren inquired if there would be any carry over of funds. Yes, stated Chief Hurtado.

Councilmember Gray inquired if education costs were being tracked, staff replied no but will start.

Also pointed out

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve the consent with the following exceptions; ck # 94781 pulled, ck # 94696 and ck # 94700 will be considered for approval during business item CB 3. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: Smith ck# 94711 Warren ck# 94751

ABSENT: None

PUBLIC HEARING

PH 1. Cottage Food Operations (CFO)

Mayor Wood read the item and declared the Public Hearing open.

City Manager Weil provided the staff report.

City Clerk Hilliker reported that there were no communications received.

Councilmember Gray wanted to make sure this wasn't something that affected the once in a while cookie sales. Staff clarified that this excludes fundraisers and has a gross annual sales limit.

Public comments were in favor, including a listing of approximately 9 signatures showing support.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to close the public hearing. Motion carried.

Motion by Mayor Pro Tem McGuire, second by Councilmember Gray to give first reading, by title only, with further reading waived of "AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AMENDING THE ZONING REGULATIONS TO INCLUDE COTTAGE FOODS OPERATIONS (CFO) AS A PERMITTED USE UNDER HOME BASED BUSINESSES" Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

CONTINUED BUSINESS

CB 1. Fire Department: Final Plan Selection for Fire Station

Fire Chief Armstrong provided the staff report. Two separate options were described.

Councilmember Smith stated he would like to see the old building stay.
Armstrong answered that the old building has major electrical problems.

Councilmember Gray received clarification in regards to foundations. His concerns are if the 60x100 building is good enough for the long term. He thinks the city hasn't had the best of luck when it comes to taking the speediest course and would like to see the larger building. Believes the smarter thing to do is to demolish the old building now instead of having to do it 10 years down the road when the department needs to expand. Wiser to spend the money now.

Councilmember Warren likes the cost of the building, but would also like to go with the bigger size. Feels the old building only becomes dangerous for the future and should be demolished.

Mayor Pro Tem McGuire stated he prefers option B with the larger building. Explained that the old building would give us credits for the rebar, etc. It has served its purpose. 84x88 building will let us expand. Wants all phases covered by a performance bond. Would like a quick turn around on the RFP process. It was also noted that the original floor plan would go with Option B.

Mayor Woods inquired who red tagged the fire station. Armstrong responded that it was done back when bold was detected. She further questioned that if any building is red tagged for any reason, no one should be over there for any reason.

Councilmember Smith believes there is adequate property at the city hall location to relocate fire station.

AL Hutson stated that this process has been going on for a very long time, let's just get it done. Agrees the building should be as large as possible.

Councilmember Gray likes the idea of using city hall property. Public Works Director Platt stated that it is a bad design to have a fire station that close to a major intersection.

Motion by Councilmember Gray, second by Councilmember Gray to go with Option A. Roll call vote as follows:

AYES: Gray, Smith

NAYS: Warren, McGuire, Wood

ABSTAIN: None

ABSENT: None

Motion by Councilmember Warren, second by Mayor Pro Tem McGuire to go with Option B. Roll call vote as follows:

AYES: Warren, McGuire, Wood

NAYS: Gray, Smith

ABSTAIN: None

ABSENT: None

Attorney Bettenhausen also added that in doing an RFP there is a process that requires so many days that will have to be followed.

CB 2. Conditional Use Permit (CUP) Check List

City Manager Weil provided the staff report.

No public comment.

Councilmember Gray, in regards to #5, asked what the parameters for expanding the 300 ft. notification of property owners. City Manager Weil stated it will be project driven.

Al Hutson offered additional information in regards to the notification process.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve the (CUP) Check List. Motion carried 5-0

CB 3. Second Community/OHV Area Planning and Projects

Staff report provided by Karen Sanders.

Councilmember Gray commented that he was happy to

Mayor Wood inquired if staff was going for the entire list of things in the application. Sanders replied that it's pointed out in the report what they want to purchase over the years.

Councilmember Gray complemented staff that this was in a strategic plan format. You could see that if the first items were awarded that would be a stepping stone and it would be built on each year.

Councilmember Warren inquired if planning has taken place for future growth. Sanders replied no. He requested that planning for future growth be incorporated in their plan.

Al Hutson inquired if a sanitation service could be implemented. Mayor Wood replied that that could work if you had an established RV park. Mr. Hutson was also reminded that none of the OHV the revenue goes in to the city's coffers.

Ms. Sanders explained that the OHV program is self-funded. No money comes from the city's general fund. Monies come from grants and permit sales.

Councilmember Smith requested that a maintenance fund be set up,

Motion by Mayor Wood, second by Mayor Pro Tem McGuire to allow staff to apply for this new grant opportunity, RTP, returning to council for a resolution. Motion carried.

NEW BUSINESS

NB 1. Off-Highway Vehicle (OHV) Budgets

Staff report provided by Sergeant Blanton.

Mayor and Council received clarification on funding numbers, grant cycles and how they are affected once the grant expires from Chief Hurtado.

Mayor Woods emphasized that the way the documents were prepared makes it seem that the department made purchases associated with this budget prior to its approval. The presentation of this budget is very confusing, the narratives do not make much sense. City Manager asked the council to review each of the summary sheets provided and then ask staff questions.

First one to review is # 4219, which closes out this September. Councilmember Warren questioned why it is not showing the amount brought in in a year, or expenditures for the same timeline. Should show what is left in the permit fund. Also explained was that both grants are sharing the cost of water.

Mayor Pro Tem McGuire also voiced his concern about things being purchased ahead of time.

Clarification was given on #4220; rental equipment. Staff responded that would be for a dump truck. Also payroll mentioned is for 3 General Service Workers.

No public comments noted.

Mayor Wood concluded that purchases that were previously approved and purchased showed back up on this budget , thus making it seem that purchases were being done first prior to approval.

Councilmember Warren noted that he wants to go over the fee schedule, bringing back to council a possible chance of changes.

Finance Director also mentioned that he will work with staff to make sure that things like this do not happen again.

Motion by Councilmember Warren, second by Mayor Pro Tem McGuire to approve the OHV Budget FY 2015 / 2016. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

Motion by Mayor Pro Tem McGuire, second by Councilmember Smith to pay ck # 94696 and ck # 94700. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

NB 2. California City Police Dept. – Animal Control Painting Project

Staff report provided by

Consensus of the council to bring this item back, on the consent calendar, for approval.

NB 3. Memorandum of Understanding (MOU): Mojave Unified School District

Police Chief Hurtado provided the staff report.

Motion by Mayor Pro Tem McGuire, second by Councilmember Gray to Motion carried 5-0

NB 4. City Hall: Installation of Protective Barriers

Councilmember Smith recused himself due to potential conflict of interest and exited the chambers.

Public Works Director Platt provided the staff report.

No public comments noted.

Motion by Mayor Pro Tem McGuire, second by Councilmember Gray to approve the purchase from State Plastic. Roll call vote as follows:

AYES: Gray, Warren, McGuire, Wood

NAYS: None

ABSTAIN: Smith

ABSENT: None

NB 5. Public Works Department: Photocopier Request & City Hall: Folding/Sorting Machine Request

Public Works Director Platt provided the staff report.

No public comments noted.

Councilmember Gray inquired about the cost for color copies.

Motion by Mayor Pro Tem McGuire, second by Councilmember Gray to approve project as presented and authorizing City Manager Weil to execute the contract with 3D Imaging. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

NB 6. Discussion Item: Requiring that any Elected or Appointments to Boards or Commissions be Citizens of the United States

Mayor Wood and residents of our community provided the staff report.

Councilmembers, as well as citizens, were in support of this requirement.

Consensus to request legal counsel to prepare an Ordinance reflecting this requirement.

NB 7. Authorization to file application for the Regional Surface Transportation Program (RSTP): Randsburg-Mojave Rd. Chip Seal Project

Public Works Director Platt provided the staff report.

Councilmember Smith doesn't think road will hold up. Platt stated that since the subbase has held up, if we do a good leveling course, it should hold up. This is the best solution with the funds available.

Mayor Wood hopes other opportunities come our way.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to adopt "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AUTHORIZING THE FILING OF AN APPLICATION FOR THE REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP) PROGRAM FUNDING FOR THE RANDSBURG-MOJAVE RD CHIP SEAL PROJECT FROM MENDIBURU RD TO MEMORIAL DR. AND COMMITTING THE NECESSARY LOCAL MATCH AND STATING THE ASSURANCE TO COMPLETE THE PROJECT" Roll call vote as follows:

AYES: Gray, Warren, McGuire, Wood

NAYS: Smith

ABSTAIN: None

ABSENT: None

COUNCIL AGENDA

Councilmember Gray – wants to make sure it is on the radar for staff to bring the pros and cons to bringing a city mandate for a balanced budget

Councilmember Smith – concerns with dead trees by the bank

Councilmember Warren – requests again that OHV fees are put on an agenda; wants to make sure Silver Saddle is paying for keeping their grass so green

Mayor Pro Tem McGuire – requests status of new animal control vehicle as well as previously approved vehicles for the police dept.

Mayor Wood – Thanked CEO Bowker for picking up mess being complained about; out for the first meeting in Sept.

ADJOURNMENT

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to adjourn at 10:10 pm. Motion Carried 5-0

Respectfully submitted by,

Denise Hilliker, City Clerk

APPROVED BY CITY COUNCIL ON _____

**SPECIAL JOINT MEETING
CITY OF CALIFORNIA CITY
CITY COUNCIL & SUCCESSOR
Tuesday, September 22, 2015
Council Chambers, 21000 Hacienda Blvd.
MINUTES**

CALL TO ORDER

Mayor Wood called the meeting to order at 5:30 pm. City Clerk Hilliker called the roll:

ROLL CALL:

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

ABSENT: None

ADOPTION OF AGENDA

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to adopt the agenda. Motion carried. 5-0

CLOSED SESSION / SUCCESSOR AGENCY

- CS 1.** Conference with legal counsel pursuant to California Government Code Section 54956.9(d)(1) – Existing Litigation; Case name: Kern County Superintendent of Schools et. al. v. Successor Agency to the Dissolved California City Redevelopment Agency; Kern County Superior Court-Metropolitan Division Case No: BCV-15-100357
- CS 2.** Pursuant to Cal. Gov't Code Section 54956.9(d)(1): Conference with Legal Counsel - Existing Litigation; City of California City; Successor Agency for the California City Redevelopment Agency v. Ana J. Matosantos, in her official capacity as Director of the California Department of Finance; et seq; Case No. 34-2013-80001501

CLOSED SESSION ACTION

Legal Counsel reported that direction was given to the Successor Agency.

CITY COUNCIL MEETING

At 6:00 pm, following the Pledge of Allegiance, the City Clerk called the roll:

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

ABSENT: None

CITY CLERK REPORTS / LATE COMMUNICATIONS

JM Powers – letter regarding "City's use of Potable Water to Recharge Central Park Lake.
Al Hudson – Information regarding "Awards for Excellence in Government Finance" and "Capital Planning Polices"

PRESENTATIONS

City Treasurer, Keith Middleton, provided a financial report for the City.

STAFF ANNOUNCEMENTS / REPORTS

Police Chief Hurtado – Displayed pictures of the convicts that were taken into custody.
Fire Chief Armstrong – Briefed Council and Public regarding "Rough Fire". Fire Station is now half demolished. An arrest has been made with regards to arson of apartment fire. Reported a traffic collision with fire, two persons injured. Advised that he will be making some budget transfer requests with regards to the Strike Team.
Finance Director Rudy Hernandez – FY 13/14 Audit is completed.
Parks & Rec Brenda Daverin – Job Drive September 29th at the Strata Center from 10-1. Basketball begins on November 14th, Car Show October 11 and Craft Bizarre on November 21, at the Strata Center.
City Manager Weil – Time Capsule to be opened on December 10, 2015 at 2:00pm at City Hall.

CIVIC / COMMUNITY / ORGANIZATIONS ANNOUNCEMENTS

MaryAnn LeBlanc – October 24, 2015, Cancer Walk. Registration 7am, \$5.00 per family. November 1, 2015, Holiday Village Quarter Auction. November 14, 2015, Movie Night at the Senior Center 7pm. Medallions available for the 50th Anniversary.

Cecile Campbell – Arts Commission – advertising available for the upcoming Renaissance Faire on October 17 & 18. Shields are \$50.

Ed Waldheim – EDC, 50th Anniversary Dinner tickets are available. They have 160. \$30.00 each. Tables seat 8.

Joseph Welling – Chamber of Commerce – Community Clean up scheduled for October 3, 2015, meet at 8am.

Pat Gordon – Appreciated those whom supported the Peddlers Fair. Advised about Advertisements for the 50th Anniversary book. Encouraged all to save the lake.

PUBLIC BUSINESS FROM THE FLOOR

Rocky Ford – Homeowner. Echoed comments of Pat Gordon about the lake being green. He remembers it being blue. Volunteered his efforts if needed. Shared concerns about Social Media and the DEA being involved. Mayor Wood advised that the DEA is collecting old prescription medications/narcotics to be destroyed. Ford asked if the medications taken could be given to those in need.

Ron Smith – Commended Mayor Pro Tem McGuire for the last meeting and allowing the public to speak. Numbers – Council Special Projects, reminded them that this is not their money but the Citizens money, not “slush” money. Shared his concerns about the “Save the Lake” project and reminded us that Council has said that we are in a crisis. Also would like to have the public safety removed from a special tax. Would like to talk about what matters, not Holiday Village and Save the Lake.

Al Hudson – is City in compliance with Code 527A. Water Code. Do all City properties have a meter connection? Public Works Director Platt advised that we are in compliance. We even meter recycled water for irrigation.

Wasteland Weekend – staff advised that the vendors are required to have Business Licenses and have Fire Inspections. Would like to see public documents that are submitted be put on the website so that the public has access to them. Would like to see notification about the agenda being available online.

Jeff Brader – 2012-2013 expenditures for Parks & Rec \$538,000. 13/14 \$454,000 14/15 713,000 proposed 15/16 1,280,000. 15/16 expenditures \$850,000. Asked where the money is? Not against the Park but these numbers should make a difference to the people. This is 30% of our general fund – over 1.2 mil dollars. Feels that this is a little bit shady.

City Manager clarified the numbers; one with over 500,000 is for the Community Center, Insurance Funds provided and the one that is over \$700,000 is for the Pool House, estimate given at this time until a settlement occurs, insurance provided.

Unknown Person – did not identify themselves – would like to see people come with constructive ideas and that the Council listen to their ideas. Likes the Website.

Russell Michael – was advised that the Water Conservation will not be on the agenda. However, the Public Works Director advised that we did a Resolution on our part for Water Conservation. Michael feels that we need this on the agenda so that people have the ability to speak. He feels that we are way behind on this. Expressed his concerns about the zoning in the City. Those people that were going to build stuff and not follow through and now the property looks terrible. Feels the trailer on CCB is a mistake. He advised that we better pull the planning Commission as they are starting to sound like a revival meeting.

Beth Tona – MyCalCity.Org, on behalf of DJ Twohig, Asked that Council consider pulling the following items from the agenda:

Minutes from the June 2nd meeting, June 16th minutes are not accurate about public comments/announcements. Town Hall Meeting planned for the future and would like the Council to attend.

CONSENT CALENDAR

CC 1. CITY CHECK REGISTERS: dated through 09/17/15 and Payroll Register 08/11/15 – 08/24/15

CC 2. MINUTES: Regular Meetings dated 06/02/15 and 06/19/15

CC 3. READING OF ORDINANCES

Waive reading in full of all ordinances under consideration, and direct the City Clerk to read by title only. Waive reading of subject minutes, approve as written, and order filed.

“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY, CALIFORNIA AMENDING ARTICLE 3 (GENERAL REQUIREMENTS: ALL RESIDENTIAL DISTRICTS) OF CHAPTER 2 (ZONING) OF TITLE 9 (LAND USE AND DEVELOPMENT) OF THE CALIFORNIA CITY MUNICIPAL CODE TO ADD CHAPTER 9-2.303(d) TO DEFINE COTTAGE FOOD OPERATIONS AND ESTABLISH A PERMIT PROCESS AND PERFORMANCE STANDARDS FOR HOME BASED FOOD PRODUCTION AND SALES IN RESIDENCES”

- CC 4.** Award Construction Agreement to Cooley Construction, Inc. for the Safe Routes to School – Various Locations 5399-(020)
- CC 5.** Notice of Completion – Cooley Construction, College Station Park-and-Ride Parking Lot Project CML 5399-(022)
- CC 6.** Adopt **“A RESOLUTION OF THE CITY COUNCIL OF CALIFORNIA CITY APPROVING THE APPLICATION FOR GRANT FUNDS FROM THE RECREATIONAL TRAILS PROGRAM”**
- CC 7.** City Employee Personnel Manual Update – Equal Employment Opportunity Policy
- CC 8.** Approval of FY 2015-16 Public Works Department Budget Adjustments

Al Hudson asked if the Water Conservation letter will be on another agenda, as it was referred to in the online version. City Clerk Hilliker advised that the letter was received prior to the posting of the agenda and therefore it was included into the agenda packet. Mayor Wood advised that although the letter was included into the agenda packet it is not on the agenda and is not sure when or if it will be on a later one. Rocky Ford – Appreciated the City for taking on the Cottage Foods Ordinance. Police Chief Hurtado provided further clarification to the Council and Public on the CC 6 item. The Staff report included an approximate estimate of about \$300,000 but would like to increase it to \$750,000 as the new quotes came in. A 12% match will be required for this grant. Karen Sanders advised that there are grants that can be applied for to cover the match.

Warren

Ck# 95211, rent a car for \$3500 – advised that the check register is vague. Mayor advised that this was for two vehicles. Captain Roach and Guerro. These will be paid for by the reimbursements.

Ck# 95169 Andrew Parker – OHV permit metal signs – Hurtado advised that Parker made the signs for the businesses in town advertising the OHV permits.

McGuire

CK# 95169 –, reboard. Asked if we are charging the homeowners the costs of this process. Fire Chief advised that the funds are being collected on tax billing.

CC6 – asking for Grant funds; went to Borax Bill and is concerned about the restroom cleanliness, and the bugs, the unsecured property, motorcycles, off-road vehicles, Humvees. He advised that he was not approached by anyone. Chief Hurtado advised that this project (CC6). Sgt. Blanton advised that people out there know who McGuire is and so that may be why he wasn't bothered by anyone. Kill devices have been installed on the above mentioned devices.

Smith

Ck#95278 \$5500 surgery for dog. Chief Hurtado advised that there is no insurance, the costs are going to court to be collected.

Ck# 95278 - \$10,000 – settlement with Lemieux.

Warren

Grant; would like to see floorplans and drawings of the proposed projects for the grant funds being requested. Karen Sanders provided some ideas and advised that until the Resolution is approved they cannot do too much due to lack of funds.

Wood

CC3, Cottage Foods – this will not allow take out restaurants from homes. We need to make sure that this is clarified. If this approved we need to make sure that law enforcement has copies of how and when to enforce.

Motion by Councilmember Warren, second by Mayor Pro Tem McGuire to approve the consent calendar. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: Smith ck# 95192 ck# 95241

ABSENT: None

PUBLIC HEARING

PH 1. Public Hearing to Consider an Ordinance Amending the Zoning Regulations to Include Reasonable Accommodation Language – Public Works Director, Craig Platt

Mayor read the item and declared the Public Hearing open at 7:31pm

Public Works Director Platt provided the staff report.

City Clerk Hilliker announced that no communications were received.

Motion by McGuire, Second by Warren to close the Public Hearing. Motion carried.

Motion by McGuire, Second by Warren to approve the first reading and waive further readings:

City Clerk Hilliker read the Ordinance:

“ORDINANCE OF THE CITY COUNCIL OF CALIFORNIA CITY ADOPTING ZONING CODE AMENDMENT TO ALLOW REASONABLE ACCOMMODATIONS TO INDIVIDUAL(S) WITH DISABILITIES PROTECTED UNDER THE FAIR HOUSING LAWS BY ADDING ARTICLE 2B” REASONABLE ACCOMMODATIONS” TO TITLE 9 “LAND USE AND DEVELOPMENT”

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

PH 2. Public Hearing to Consider an Ordinance Amending the Zoning Regulations to Include Emergency Shelter in the Regional Commercial (C5) District Language – Public Works Director, Craig Platt

Mayor read the item Mayor and declared the Public Hearing open at 7:34pm

Public Works Director Platt provided the staff report.

City Clerk Hilliker announced that no communications were received.

Al Hudson asked who is paying for this? Mayor advised that whatever agency is doing this project/s will provide the funding. All we are doing is providing the ability to have “Emergency Shelters”

Motion McGuire, Second Smith to close the public hearing. Motion carried.

Gray asked for clarification of “Emergency” Shelter. Mayor advised that the emergency agency selects and starts the process. The City has to approve a local shelter for this purpose. Smith was advised that we do not have to donate or provide the property.

Motion Gray, Second McGuire to approve first reading and waive further readings:

City Clerk Hilliker read the Ordinance;

“ORDINANCE OF THE CITY COUNCIL OF CALIFORNIA CITY ADOPTING ZONING CODE AMENDMENT BY AMENDING TITLE 9, CHAPTER 2, ARTICLE 19, RELATED TO PERMITTED ZONING DISTRICTS FOR ESTABLISHMENT OF EMERGENCY SHELTERS”

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

CONTINUED BUSINESS

CB 1. Acquisition of Property APN 457-030-06-02

Karen Sanders advised that this item was to inform the Council about correspondence from Kern County regarding the property. This property will be used for a camp area. Once the property is acquired the process will begin with the use of grant funds. The project will be phased out into 4 years and beyond for development.

Carla Nepatize (sp.) was advised that this will be dry camp only.

Smith – if this goes through who is purchasing the property? Sanders advised that acquisition would be covered via permit funds.

Mayor – the city would own the property but the funding would come from OHV funds.

Warren – reminded that the owner has a one to two year redemption on the property. Sanders advised that in part of the timeline would be the environmental, this takes lots of time so hopefully the redemption period will be during this time.

McGuire – will this have any effect on the Successor Agency? Is this SDI property? Sanders advised that this south of Galileo Hill. Warren advised that he feels that it is. McGuire is concerned that the State will do something? Legal Counsel advises that he would get some more information for the next meeting.

Due to no knowledge of a timeline, Motion by McGuire, second Wood to table this item until next meeting where more information can be obtained from Legal Counsel. Motion carried.

Unidentified public- who will pay for the insurance – Council advised that when we get that far it will be discussed.

CB 2. Cal-PERS Refinance

Finance Director introduced Bond Counsel; Cameron Weist (sp.) and Financial Advisor, Eric Scrivens (sp.)

Bond Counsel presented the staff report;

Staff was directed at the last meeting to take the next step. Bond Counsel recommends option 1 or 3. The Banks have pre-vetted (sp.) these documents and have found them to be satisfactory to bid on. We need direction from Council which option to move forward with. The next step would be to talk about the assets.

Wood – have these documents been looked at by our Legal Counsel? Staff advised that they have not. We need to make sure it goes to them first.

Smith – asked if anyone knew what unfunded debt is? Bond Counsel clarified; Cal-PERS is the pension. The contract calls for the city to make benefits paid to the employees on a tiered system. Cal-PERS is under contract with the City and a monthly payment is required. Cal-PERS uses actuarial assumptions to compute how many years they will pay for each employee. They determine what unfunded obligation is required using these assumptions. The unfunded portion goes out beyond the term of the employee and the contributions. Weil, Cal-PERS had a downturn a few years ago and the city was required to cover the shortfall. The city now has this base year now to make up the difference. We are trying to now smooth out these payments and a way to cover these payments. By acting now, the interest rate will decrease. Smith feels like this is a "rip" for cities to have to pay this. He is definitely against it.

Gray – at the end of this are we still going to have unfunded liability? We may not have any assets to cover? Weil advised that due the risk, he feels that option 1 will be better to 'get in and get out'. Can re-evaluate in 6 years to see if there's a better option at that time. Gray is concerned that we are spending money on unfunded liabilities, we don't have a balanced budget. Weil explained that we are trying to shorten the term of the loan and reduce the interest. Any time Cal-PERS loses investments, the city is responsible for the shortfall.

Warren – concerned as we are only taking care of a portion of this. He would like proof that we will not see spikes this high again. He really doesn't like the listed assets. He would rather pay the extra dollar than take the chance of a future bankruptcy.

Ron Smith – stop spending money, this is another crisis situation.

Sharon Bell – would like to know if the rates are fixed? Wood advised that we have no control over that.

David Campbell – In the past 15 years he has participated and worked on and led the campaign for the Special Tax. He completely agrees with the mayor, special tax will not pass. He recommends that the council not focus on the big problem Cal-PERS focus on what we need to do to pay the interest rate as we have no choice.

Charnel – how much do California City Employees pay into this? – Weil advised misc. 8% of salary. Police & Fire 9%, pepa 11.5%.

The City portion fluctuates as much as 27% for the Fire Department and Police Department and 21% for misc.

Unknown- all of the cities in California having to deal with the "mob boss".

Mary Corona – wants to know how this happened in the first place?. Did the city not pay what they were supposed to every month? Mayor did not have the answer, she doesn't know when this all started. What is this going to cost the city for the Bond Counsel and Financial Advisor?

Al Hudson – tying up public assets. Going to have the problem again and again. By taking these guys proposition we are indebting generations to come and he believes that takes a public vote.

Brader – wants to know why we do not project what that liability might be and budget it?

Rudy Hernandez – one of the issues that keeps coming up is "what is our unfunded liability" no one actually knows. We can only project. This is the first time that it will be in the financial statements. This way it is in black and white and available to try to budget.

Sgt. Blanton – advised his personal experience over the course of his employment with his portion of retirements and compared it to other large agencies that have independent retirement programs; however they mirror the "PERS" program.

Unknown – we are so hemmed in by these other groups.

Al Hudson – the city received 1.4 mil in property tax. 4.5mil in special tax, we have not heard how much this costs us on an annual basis. Hernandez advised that the city pays less than a million.

Smith – feels sorry for the people but he doesn't know what retirement system loses money and the city has to make up for it.

Gray – agree that it is not a good system.

Warren – again this is only a portion of it. We don't need to do this today. We need to answer the questions on how much does this cost the city every month, every year?

Rudy – clarified the costs – after conferring with the Financial Advisor; our unfunded liability for 15/16 is \$946,712. Our normal annual distribution is \$649,514 for a total of about 1.5 million.

Warren – what kind of reduction are we getting? We will still be paying the 7.5% on the 8%.

Ron Smith – referred to Campbell saying that the way to pass the Special Tax was to make it for Public Safety to manipulate the public.

Motion by Gray, Second by Councilmember Smith that we do not accept any of the options and that we look at our budget. Roll call vote as follows:

AYES: Gray, Smith, Warren, Wood

NAYS: McGuire

ABSTAIN: None

ABSENT: None

CB 3. Donation to the "Save Our Lake" Campaign

Brenda Daverin – since our last meeting we have doubled the money for the lake. We have ordered one mixer for the lake to try out, purchased with donations. We are asking for \$10,000 to put into the national park & recreation fund so that others would see an effort and to encourage donations.

Cecile Campbell agreed with the \$10,000 recommendation. We need to protect it and take care of it.

Jeff Brader – wants to know here the money was spent in fiscal years 12/13, 13/14, 14/15. Council is letting management get away with this. How much is it going to cost? What is the comparison from the old pumps to the new pumps? This is data that the city should have.

Carlina Bartise (sp.) we are not asking for new money? There is \$25,000 allocated in the budget and she is asking for \$10,000 of it so it's not new funds.

David Campbell – without an attractive city and to provide public safety no one else going to want to come to California City and or build/development. He feels that this is a great way for the city to show that it is important to make these improvements.

Ron Smith – our foundation has been in trouble and still is. Putting money into the lake is like putting paint on a burning house. We don't know that it's going to make a difference. There is no data. If it's important to the citizens then they can go and raise money for it. How did we let the lake get into this much dis-repair? Wood advised that it got this way due to the removal of Parks & Recreation from the Special Tax.

Smith – wants to know where the \$5.00 per parcel tax to go into a special fund. Where did the money go to from the surplus? He would like to see the funds being used to clean up around the lake.

Russell Michael – \$10,000 for this project is not too much to ask. They are going to hopefully entice other investors.

"Queen" (unknown name) – wanted to let everyone know how important the Park is to this community. If we don't fix the park people are not going to want to come and visit our town.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to put \$10,000 towards the "Save the Lake" Campaign.

AYES: Warren, McGuire, Wood

NAYS: Gray, Smith

ABSTAIN: None

ABSENT: None

Motion by Mayor Pro Tem McGuire, second by Warren to break for 15 minutes. Motion carried.

After 15 minute recess, meeting reconvened.

NEW BUSINESS / SUCCESSOR AGENCY

SA 1. Adoption of the Administrative Budget for the six month period January 1, 2016 – June 30, 2016. ROPS 15-16B

Executive Director Weil read the staff report.

No public Comments.

No Board Comments

Motion by Mayor Pro Tem McGuire, second by Councilmember Gray to approve the administrative budget for the six month fiscal period commencing January 1, 2016 – June 30, 2016 for submittal to the Oversight Board for approval. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

SA 2. Adoption of the Recognized Obligation Payment Schedule for the six month period January 1, 2016 – June 30, 2016. ROPS 15-16B

Executive Director read the staff report.

No Public Comments.

No Board Comments.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve the Recognized Obligation Payment Schedule (ROPS 15-16B) for the six month fiscal period commencing January 1, 2016 – June 30, 2016 for submittal to the Oversight Board for approval. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

NEW BUSINESS/CITY COUNCIL

NB 1. Budget Balance Amendment (Discussion Only)

Finance Director read the staff report.

Gray – the concept of a balance budget amendment is to keep us to a standard norm. Circumstances will allow necessary changes.

Warren – also holds staff more accountable.

Weil clarified the difference between operating revenues and expenses.

Wood asked for clarification regarding his recommendation. Option three is revenues plus appropriated fund balances equals expenditures. Hernandez agreed.

Gray – concern is whomever is sitting in their seats down the road is still able to dip into reserves.

Al Hudson – there is a difference between a Finance Director and an Accountant. When the finance director says that we have this much money to spend and the accountant counts everything when he's done. He advised the differences between zero based accounting and incremental accounting and unrestricted and restricted funds.

Ron Smith – appreciated the Council for Rudy's report. Revenues greater than expenditures needs some belt tightening.

Inaudible – unknown speaker. – We the people what tools do we have at our disposal to hold people accountable. Wood – budget workshops.

Hernandez asked Council for direction.

Wood asked the council to channel their ideas through Tom Weil or Rudy Hernandez.

Smith asked for this item to be brought back to council by the first week of November, council concurred.

COUNCIL AGENDA

AB 1234

Gray – had meeting on base with General Shafer and staff to discuss the 140th street extension.

Wood – Met with "San Joaquin Voice" in DC. Talked about water quality, adequate funding for transportation issues, interregional goods, continued funding for bridge replacement and modernization, regional and transportation profile.

Councilmember Smith – Need joint effort with other cities regarding Cal-PERS. Would like to see the Balance Budget initiative on the agenda with options by November. Still have concrete on the Buttes. Council has been so hard on Dacey at the Golf Course for a print out, he would like to see a point of sale system for the Park. Would like an accounting on the number of lots that have paid the special tax so he can see how much we should have with the \$5 set-aside.

Councilmember McGuire- Airport how much fuel do we take in and how much do we sell. How much are we left with? Would like a report.

Councilmember Warren – Would also like to see a full Airport Report.

Mayor Wood – Job Fair Sept 29th, Strata Center from 9am – 1pm, hiring about 450 people or more. Community Clean up, October 3, 2015, looking for volunteers. Appreciated all of our volunteers that have gone above and beyond. Would like staff to look into talking with Dr. Borna and Russell Michael with regards to the project at the old hotel. Would like to have mutual respect when addressing items at the Council Meetings.

ADJOURNMENT

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to adjourn at 11:11 pm. Motion Carried 5-0

Respectfully submitted by,

Denise Hilliker, City Clerk

APPROVED BY CITY COUNCIL ON _____

**SPECIAL MEETING
CITY OF CALIFORNIA CITY
CITY COUNCIL
Tuesday, October 13, 2015
Council Chambers, 21000 Hacienda Blvd.
MINUTES**

CALL TO ORDER

Mayor Wood called the meeting to order at 5:00 pm. City Clerk Hilliker called the roll:

ROLL CALL:

PRESENT: Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

ABSENT: Gray

ADOPTION OF AGENDA

Motion by Mayor Pro Tem McGuire, second by Councilmember Smith to adopt the agenda with the removal of CC3 with addendum and the addition of CC9. Motion carried. 4-0

CLOSED SESSION / SUCCESSOR AGENCY

CS 1. Pursuant to California Government Code Section 54957.6: Conference with Labor Negotiator – Negotiations; California City Police Officer Association.

Public Comment – inaudible

CLOSED SESSION ACTION

Legal Counsel reported that the Closed Session will resume following the Council Meeting.

CITY COUNCIL MEETING

At 6:00 pm, following the Pledge of Allegiance, the City Clerk called the roll:

PRESENT: Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

ABSENT: Gray

CITY CLERK REPORTS / LATE COMMUNICATIONS

Letter from JM Powers dated 10/07/15, re: Bad estimations of Expenses and Revenues leads to irrelevant and unbalanced city budgets

Letter from JM Powers dated 10/06/15, re: Errors and anomalies of water data reporting to the State Water Resources Control Board.

Letter from JM Powers dated 09/30/15, re: Algae Bloom and other conditions of Central Park Lake and the smaller city owned lakes on Tierra del Sol Golf Course. Call Russell with more questions (760) 338-3200

PRESENTATIONS

Finance Director Hernandez introduced our new Accountant, Jason Williams

Chief Hurtado introduced new Police Officer, Jackson Tran

Special Police Award – Chief Hurtado – delayed until further meeting

Veteran's Home: Russell Michael, provided an update on the Veteran's Home project using the old Lakeshore Hotel. Clean up has begun on the exterior. No definitive time line at the moment.

STAFF ANNOUNCEMENTS / REPORTS

Police Chief Hurtado – autism tracking device, sample received, testing in progress. Recovered stolen car out of LA. 5 yr. trend service call volume has doubled. 79th street burglary of home, officers conducted search warrant for stolen items. Officers located subject and found assault rifle with orange tape on the end of barrel. Also weapon with bayonet, live dynamite, ammunition, 6 homes evacuated. American Red Cross assisted with displaced residents. Began work on Facebook page, currently down due to updating. Sgt. Blanton: Columbus Day Weekend – OHV slight increase of riders. Sales \$1840. Council would like to have an OHV report of sales and expenses.

Fire Chief Armstrong – Demolition finished on the Fire Station. Working on final plan approval. Police Chief and Fire Chief are discussing ways of how to work together in emergency situations. Finished GIS mapping of Hydrants and input them in the 911 system. Working on potential cost recovery agreements for assisting outside agencies. Gave authorization to Russell Michael to enter the Lakeshore Hotel to begin clean up. So Cal Edison working on a plan and cost to remove power poles behind the Apartments. Mayor asked for the pre-planning and the GSI mapping information.

Public Works Director Platt – Month of Sept. Facilities closed out 43 work orders, moving forward with two people to do backflow so that we can do in-house. Senior for senior center. Research identified two lights \$2200 each, under our budget this year. Scoreboards getting costs on posts, will bring back to council prior to ordering. Will be expensive as the recommended posts are not cheap. Streets 53 work orders closed. Have been cleaning up the house that the fire dept. leveled. Site cleaned up. Water dept. 25 main line breaks 26 service lines replaced. Clean up sites 26, replaced 4 in-line valves. 950 10" C909 installed on Yerba. Moving forward with the PRV at the park. In good working order. Replaced 7 AMS valves and 88 meters replaced. Silver saddle master meter in place, eliminated 9 in that complex. Airport report will be modified again so that it will show more data.

Finance Director Rudy Hernandez – September Financial statements were sent out yesterday. Some funds are negative as the tax revenue has not arrived yet, should see in November. Working on the Budget Balance Amendment/Policy will be getting the first meeting in November.

P&R Supervisor Brenda Daverin – Job Fair turnout was fantastic. Great car show Sunday, Cal City Street Rods, save our lake campaign is over however if you go to the website people can still donate. Mixer arrived working on getting it installed. Lifeline screening Oct 22, Strata Center, Kids Halloween on Oct 31, Renaissance Fantasy Faire, all costumes welcome, larger fair this year, new acts, new vendors and more public interest. \$8 entry, coupon can be found in the water billing and City Hall.

City Manager Weil – Will be bringing an amendment in the PPA for American Solar. Also will be bringing a recommendation to settle on the pool house \$531,000 hopefully will take care of replacement. Event – November 7 Scout Island grand opening.

Christian Bettenhausen – 3 bills regarding medical marijuana, details still to be determined, the city can still determine by zoning.

CIVIC / COMMUNITY / ORGANIZATIONS ANNOUNCEMENTS

Bill Tarvin – EDC. Attended the Salute to Youth at the AV Fair Grounds. Provided an overview of the program. Asked the Council and other members in the community to assist the schools getting the students to these events.

MaryAnn LeBlanc - Cancer Walk, Oct 24, 2015, sign up 7am, \$5. Meet at Tennis Courts

Holiday Village Quarter Auction, Nov 1, 2015 at Strata 1pm - \$5 paddle

Nov 14, 2015, Holiday Village Movie Night at 6pm. Polar Express & Charlie Brown

Thanksgiving. Pajama contest. No cost, donation only. Concessions will be available.

DJ Twohig - Speaking on behalf of mycalcity.org and director of kern tax. Defending tax against proposition 13. Importance of protecting against unpredictable property tax increases.

Mary Wady – Job Fair held on the 29th. Number of people came out but she found it disappointing. Compared to what was advertised to be there, only IBEW was there. Feels that it was poorly handled.

Carolinda Batise – invited everybody to 50th Anniversary dinner/dance December 5th, 2015, at the Strata Center, \$30.00 per person. Table of 8 will be discounted. Request from EDC, Senior Center and Parks & Rec. Along with admission, you will receive a book, pen and champagne or apple cider toast. No host bar. Time Capsule will be opened December 10, 2015. Bill Tarvin added that applications will be made available for the tickets via website.

Russell Michael – reaching out to veterans to help with benefits. Had a few bad cases due to hold ups in the VA. Wants people to keep reaching out to him to assist with obtaining benefits. (760) 338-3200.

PUBLIC COMMENT

Charles Shafer – City Ordinance 14-723, medical marijuana – was advised that this Ordinance has not been revised. Has concerns with ordinance, puts so many burdens on caretakers and patients. It makes it impossible to acquire this medication with these limits. Not all patients have paid or solicited requests for medical marijuana. Burdens are so high and harsh.

Al Hudson – needs to review the national trend on medical Marijuana on the recreation in Oregon and there was 11 mil sales in one store. Increased the locations tax base. Really can't turn our heads on potential revenue based on someone's ideology. Concerned about the city's position as being one of the top 5 water wasters in the state. Provisions in the report to adjust the reporting data. We should be reporting residential, commercial municipal and institutional separately. His database shows that the city has not been making its water payments according to the number of meters in place. Article 2 section 8 of the California constitution, Hernandez and two others trying to sell the 11 million dollar loan, you can't do nothing without voter approval so I'm not sure what he is trying to do with this 11 million dollar loan. GASB 67 & 68 being new, not new, they have been in place for a long time. Would like an answer regarding the city's reporting system that is reported. Platt responded that the state has mandated water usage across the states. The cities are being compared with 2013 numbers at which time the city did not track its water usage and the prison was not online. This makes the usage skewed. For the city to meet 36% we may as well shut the city off, we will not reach the 36%. Although they recognize this they are not willing to adjust. Our directive is to do what we've been doing. We have done a lot of work internally, managing the system, cutting water pressure.

Reports does show breakdown between municipal, commercial, institutional and residential. Reports have been refiled to give more accurate information. Over the last 2 months we have cut between 23% & 27%.

Russell Michael – trailer on CCB. Still is ugly. This trailer adds to the neglect of the city. Wishes the city wouldn't do things like this.

CONSENT CALENDAR

CC 1. MINUTES: Regular Meeting dated 07/07/15, Special Meetings dated 06/15/15 – 06/17/15

Waive reading of subject minutes, approve as written, and order filed.

C 2. READING OF ORDINANCES

Waive reading in full of all ordinances under consideration, and direct the City Clerk to read by title only.

Adopt Ordinance No. 15-736 of “**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY ADOPTING ZONING CODE AMENDMENT TO ALLOW REASONABLE ACCOMMODATIONS TO INDIVIDUAL(S) WITH DISABILITIES PROTECTED UNDER THE FAIR HOUSING LAWS BY ADDING ARTICLE 2B” REASONABLE ACCOMMODATIONS” TO TITLE 9 “LAND USE AND DEVELOPMENT”**

Adopt Ordinance No. 15-737 of **“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY ADOPTING ZONING CODE AMENDMENT BY AMENDING TITLE 9, CHAPTER 2, ARTICLE 19, RELATED TO PERMITTED ZONING DISTRICTS FOR ESTABLISHMENT OF EMERGENCY SHELTERS”**

CC 3. Award American Pavements Systems: California City Blvd. – Safety Improvements Project – HSIPL – 5399-(023)

CC 4. California City Fire Department: Adopt **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY DECLARING SPECIFIED PERSONAL PROPERTY SURPLUS AND AUTHORIZING SALE/DONATION”**

CC 5. Holloway Environmental: Extension to Biosolids Service Agreement

CC 6. California City Police Department: Temporary Assignments – Acting Supervisors

CC 7. Water Conservation Coordinator Job Description

CC 8. Adopt **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AUTHORIZING THE SUBMITTAL OF AN APPLICATION, ACCEPTANCE OF AN ALLOCATION OF FUNDS, EXECUTION OF A GRANT AGREEMENT CONTINGENT UPON FINAL APPROVAL FOR AN AIRPORTS IMPROVEMENTS GRANT BY THE FEDERAL AVIATION ADMINISTRATION AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION, AND CERTIFYING THE AVAILABILITY OF CITY’S SHARE OF MATCHING FUNDS AND TO AUTHORIZE HELT ENGINEERING, INC. TO PREPARE THE PLANS AND SPECIFICATIONS”**

CC 9. City Check Registers dated through 10/08/15 and City Payroll Register dated 8/25/15 – 09/07/15 (Addendum, added by vote via adoption of the agenda)

Public

Al Hudson - Ck No. 95408 Cal Society of Municipal Finance Officers, these are classes for accounting, seems that we have a new accountant that is a CPA that shouldn't need these classes. Why are we paying for the qualifying of the finance director in accounting? Hernandez advised that this class was for the Accountant to introduce governmental accounting. Many times CPA's are not trained in Municipal Accounting.

Mary – Mr. Hernandez is correct, you need to stay in training.

Council

Smith – Ck 95358 1065 paramedic school training? Ck 95381, Training.

Chief Armstrong advised that these two are mileage reimbursements from several months ago covering about 4 months of mileage. Fire MOU provides for reimbursement of tuition.

Ck 95391 Training. Chief Hurtado, advised that this check is for the tranquilizer certification class for the second Animal Control Officer. Other officers were trained in the event that Animal Control is not available. Have to take this class or the provider will not continue to provide the “juice”.

Keith Middleton advised that the following Check numbers; 95419, 95454, 95476, 95510, 95515, 95525 have minor errors, these will be voided and will be re-issued.

Smith Ck No. 95469 Parsac – Weil advised that this is our General Liability Payment. Several checks payable to Renaissance Fair. Who is paying for that and will we be getting report of how much the city is spending. Brenda will be providing a report. Bio solid disposal – charging for mover, fuel and loader? One day, multiple days? - Weil advised that the information provided are quotes and comparisons and we will be using the one where we load ourselves.

Motion by Mayor Pro Tem McGuire, second by Warren to pull CC4 and CC6 for further discussion – Motion carried.

McGuire – CC4. Property surplus, has any other departments been asked if they could use

these items? – Armstrong advised that the Public Works Department was offered. Platt recommends going through the process and if there is anything needed we will pull and put back into service.

Wood – Ck #95465, asked for clarification on this check. – Armstrong provided response.

CC6. Hurtado advised that the positions have been selected but not acted upon until council approval.

Wood – Addressed some clerical errors on the staff report, Hurtado provided response. Essential duties and responsibilities, marginal job duties should be “other” marginal position requirements should be ‘necessary job requirements’ marginal physical requirements can go away as it is covered in the marginal position requirements. Need to correct this job description so that it can be recorded as updated in 2015.

Weil advised that there are still a lot of older job descriptions and HR will be going through them and updating.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve the consent calendar with the removal of CC3 and the addition of addendum CC9. Roll call vote as follows

AYES: Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: Smith ck# 95317 ck# 95400, ck#95477, and Warren ck # 95441

ABSENT: Gray

PUBLIC HEARING

PH 1. Proposed Ordinance: As it pertains to Dance Studios – City Manager Weil

Mayor read the item and declared the Public Hearing open.

City Manager Weil read the staff report.

Warren – brought some documents to Tom about the Conditional Use Permit – June 21, 2013 statement a 9-2.1502 not sure how it was changed but at that time on the Planning Commission so he would like the statement to be reviewed in the future and brought back to the Planning Commission. Platt is pulling the Council minutes to see what was taken to Council.

No communications were received by the City Clerk.

No public testimony noted.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to close the Public Hearing – motion carried.

No Council discussion

Motion by Councilmember Warren, second by Councilmember Smith to give first reading, by title only, with further reading waived and approve an “ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AMENDING THE ZONING REGULATIONS TO INCLUDE DANCE STUDIO AS A PERMITTED USE IN THE COMMUNITY COMMERCIAL (C2), SERVICE COMMERCIAL (C4) AND REGIONAL COMMERCIAL (C5) DISTRICTS AND AS A CONDITIONAL USE IN THE NEIGHBORHOOD COMMERCIAL (C1) AND COMMERCIAL OFFICE DISTRICTS (C3)” Roll call vote as follows

AYES: Smith, Warren, McGuire, Wood
NAYS: None
ABSTAIN: None
ABSENT: Gray

CONTINUED BUSINESS

CB 1. Acquisition of Property APN 457-030-06-02 for Dry Camp in OHV Recreation Area
Hurtado confirmed that this property was not included as part of the SDI tract.

Wood stated that the staff report should have had the financial impact stated in the \$20,500 also what account will be utilized. Sgt. Blanton advised that the funds will be coming from 29-4219-740.

Public – Russell Michael – feels this is a good idea

Smith clarified that the funds were in this line item

McGuire – can remove from the staff report that future costs associated? Karen advised that this information was from an earlier meeting.

Motion by Councilmember Warren, second by Councilmember Smith to acquire the property
Roll call vote as follows

AYES: Smith, Warren, McGuire, Wood
NAYS: None
ABSTAIN: None
ABSENT: Gray

CB 2. Bob Parker Scout Lodge

Craig Platt read the staff report – corrected the actual numbers on the staff report; should be \$338 left in account number 10-4563-720 –Scout Lodge Projects.

Purchase of items necessary to complete the project was presented.

Requested that funds in the amount of \$6500 be used from 10-4564-740 Council Special Projects to 10-4563-720 Scout Island so that the purchases can be made.

Platt advised Council that this line item has funds set aside for the Solar lighting project at the senior center; the amount is plenty for both the solar lighting and to off-set the funds requested for the Scout Lodge.

Mayor Wood requested that Council get a copy of the Budget Transfer Request form.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve the transfer of funds.

Roll call vote as follows

AYES: Smith, Warren, McGuire, Wood
NAYS: None
ABSTAIN: None
ABSENT: Gray

NEW BUSINESS

NB 1. Donation to "Holiday Village" 2015

City Manager Weil read the staff report.

Russell Michael – not much money but if you look at last year's numbers it didn't work. He only saw one night that it was busy. The snow machines didn't work.

MaryAnn LeBlanc – had over 3000 people in attendance and the snow machines did work.

Unknown – every night was packed – snow did work, great success.

Warren volunteered last year and they had two days of bad weather during the beginning of this event. The snow machines did work but they only covered a slight area. Still supports the event.

Smith donated lots of lights last year.

McGuire advised that all donations, lights etc. were stored. Some of the volunteers purchased some of the items just to get it set up. Supports the event.

Wood clarified the request for support. The funding breakdown states which department support is being used but there is no itemization of these costs. MaryAnn LeBlanc advised that the departments volunteered on their own time to help. They are looking for a few extra people. Plan on using the 2000 for advertising outside of our county. Jon Paul LeBlanc; last year we had help from Sharper Landscaping and helped with the grounds along with Jay Sprague. It is in the parks & rec budget to use this area. Working with Ann Richardson so that the area is not going to be disturbed for future plans.

Smith would like to see receipts and keep track of the expenditures. Jean Paul LeBlanc advised that the Optimist club has opened a separate account just for this project. MaryAnn Advised that Ed Waldheim is in charge of the financials so there will be due diligence.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve \$2000 donation to the California City Optimist Club for the purpose of Holiday Village. Roll call vote as follows:

AYES: Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: Gray

NB 2. California City Municipal Airport: Roof Repairs

Public Works Director Craig Platt read the staff report.

Keith Middleton reported that the last time it rained he was at the airport and within 15 minutes the leak began to leak. Had 4 buckets within the restaurant.

Russell Michael – Confirmed that this is a commercial building and has a lease. Do the renters not have to repair?

Mayor advised that the entire facility is the responsibility of the City.

Unknown – appears that the original design was flawed. Maybe a re-design is needed.

Warren – looking at other conditions as well as the roof. He is thinking about the Fire Department and all the water damage over the years and where we ended up with that. He feels that we need to do these repairs now and look into replacement in the next two years.

Smith – the roof has been leaking for years. Instead of piece mailing it we should do the whole thing right now. The funds should be coming out of the Airport Budget not the City. Platt said that we are planning on budgeting over the next two years.

Smith said we need to start thinking ahead.

Al Hudson – have to agree with Smith, there is no point in putting band aid on something.

Russell Michael thinks we should re-adjust the airport leases so that the city doesn't have to take care of it.

The plan is to have this done in the next month due to the rain on its way.

Motion by Mayor Pro Tem McGuire, second by Mayor Wood to approve the agreement with AV Roofing, Inc. in the amount of \$4120.00

Roll call vote as follows:

AYES: Warren, McGuire, Wood

NAYS: Smith

ABSTAIN: None

ABSENT: Gray

NB 3. California City Fire Department: Brush Patrol 190 Repairs

Chief Armstrong read the staff report.

No Public comment

Smith – had four of these trucks, three went back to Ford. He feels that the turbos will continually go out. There is someone in town that can replace the engine instead of fixing the Turbo. Warren said that there will be emissions problems if we replace the engine.

McGuire – how much water is required to be deemed a patrol? Armstrong: 150 gallons.

Wood – had budgeted \$20,000 in fund 19 and are using this equipment on strike teams and feels that the state should be paying something for its use.

McGuire – confirmed that the funds will not be reimbursed by the state this time. Armstrong said as the money comes in from the strike teams and will make a Journal Entry to reimburse line item.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve repairs of Patrol 190 in the amount of \$7895 with the understanding that this portion of the revenue received from the strike team will be used to replace these funds in this line item. 19-4222-254. Roll call vote as follows:

AYES: Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: Gray

NB 4. California City Fire Department: Borax Bill Firefighter Volunteer

Chief Armstrong read the staff report

Al Hudson – let's give the Fire Chief what he is looking for

Wood – some aspects of this is becoming unsustainable when we don't have the funding to do this. Armstrong advised that he is going to come back with other ideas/means to fund in the future. Wood – need to look into adding into the permit fees to cover.

McGuire – as it stands right now, he doesn't see OHV sustainable due to all the cuts. Hurtado provided clarification about the response. The OHV area is still California City, we still have to respond. There are Special Tax payers in both first and second communities, unless we de-annex the area.

Warren – all for having someone there for a low cost. We need to deal with the fees.

Al Hudson – When he worked with the Forest Service he said that the people out there were there at their own risk, if they needed help they were responsible to get it.

Armstrong advised that the forest service does not have the "protect a life" policy like the Fire Department does.

Unknown – likes the idea of a volunteer and thinks that the two colleges would be a great resource for nurse/medical staffing. Also provides the volunteers an avenue to obtain their certifications.

Motion by Councilmember Warren, second by Mayor Pro Tem McGuire, to authorize Chief Armstrong to begin recruiting volunteers and during the recruiting period obtain costs associated with the Volunteer staffing prior to them being stationed. Roll call vote as follows:

AYES: Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: Gray

NB 5. Cost Sharing Agreement Fremont Basin Regional Water Management Group
City Manager Weil read the staff report

RMC Water and Environment (RMC) has submitted a proposal to provide services for a planning grant for the Fremont Basin. Under the cost sharing agreement the city is seeking funds not to exceed \$35,236.00

Line item 51-5112-320 Research Freemont Basin

California City is designated as the administrator of the contract.

The three agencies in the cost sharing agreement are: AVEK, MPUD and California City.

Al Hudson – does the agreement include reps from Cantil he understands that this would be our best interest to protect this resource.

Wood – IRWMP AVEK, MPUD, and the City of Cal City had a stakeholder meeting with this group where people from Rancho Staco (sp.) Cantil etc. and they are included in this.

Next Stakeholder meeting Mojave – Oct 30, 2015 2pm.

Warren – before we start applying for these grants we need this study to move forward.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to authorize the City Manager to sign the Cost Sharing Agreement, amount not exceeding \$35,236.00 Roll call vote as follows:

AYES: Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: Gray

NB 6. California City Police Department: Purchase of Server
Chief Hurtado read the staff report.

Wood requested that the Council is provided with the Budget Transfer Request form for their records.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve the purchase the server and transfer of funds as requested. Budget Transfer Request to be issued to Council and care taken not to over expend on this line item. Roll call vote as follows:

AYES: Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: Gray

NB 7. California City Police Department: Purchase and installation of RIMS Mobile System
Lieutenant Huizar read the Staff Report.

No public comment

Council

McGuire received classification that the iPads are still useable and will be used in the department. If the department gets to the point that they no longer need the iPads they can be used in other departments if they are still function able.

Wood – received clarification that the software is not compatible with the iPads. No Mobile RIMS software is compatible with the iPads.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve the purchase and installation of the RIMS Mobile System as presented. Roll call vote as follows:

AYES: Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: Gray

COUNCIL AGENDA

AB 1234 none

Councilmember Smith – need concrete cleaned up, east of Forest.

Councilmember Warren – need to discuss OHV fees – 1st meeting in December

Councilmember McGuire – Drainage ditch by High School – need to fix fencing. Would like to see all the money for the permits, revenues/expenditures. Grant funds, rollovers, list of people that are going to be out there, the costs and vehicle cost etc. Are there grant funds right now for fixing/maintaining the facilities at Borax Bill? Hurtado advised that it is covered under ground operations. McGuire asked that the fence be fixed as none of the equipment is secure.

Mayor Wood – Discuss possible savings on paper and going to an upgraded laptop system for the council members? Weil reminded Council about the Vision 360, need all of the people involved to be present. January 5th or 7th

Motion by Wood, to take recess for 10 minutes prior to resuming to Closed Session – motion carried.

CLOSED SESSION ACTION

Legal Counsel reported that Successor Agency Staff was directed.

ADJOURNMENT

Motion by Mayor Wood, second by Mayor Pro Tem McGuire to adjourn at 10:55 pm. Motion Carried 4-0

Respectfully submitted by,

Denise Hilliker, City Clerk

APPROVED BY CITY COUNCIL ON _____

**SPECIAL MEETING
CITY OF CALIFORNIA CITY
CITY COUNCIL
Tuesday, October 27, 2015
Council Chambers, 21000 Hacienda Blvd.
MINUTES**

CALL TO ORDER

Mayor Wood called the meeting to order at 5:00 pm. City Clerk Hilliker called the roll:

ROLL CALL:

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

ABSENT: None

ADOPTION OF AGENDA

Motion by Councilmember Warren, second by Mayor Pro Tem McGuire, to make a finding that the need has arisen subsequent to the posting of the agenda to add CC 9 and adopt the agenda. Motion carried. 5-0

Al Hudson – Encouraged the Council to take a close look of the City Manager.

CLOSED SESSION / SUCCESSOR AGENCY

CS 1. Pursuant to California Government Code Section 54957.6: Conference with Labor Negotiator – Negotiations; California City Police Officer Association.

CLOSED SESSION ACTION

Legal Counsel reported that direction was given to staff.

CITY COUNCIL MEETING

Mayor called to order the Council Meeting at 6:00 pm, following the Pledge of Allegiance, the city clerk called the roll:

PRESENT: Gray, Smith, Warren, Mayor Pro Tem McGuire, Mayor Wood

ABSENT: None

CITY CLERK REPORTS / LATE COMMUNICATIONS

Email from DJ Twohig – re: MyCalCity.Org respectfully submits public comments for Council regarding the budget.

PRESENTATIONS

Chief Hurtado presented a lifesaving medal to Sgt. Blanton.

Officer responded to a call and provided CPR to a member of our Community that resulted in a life saved. Hurtado introduced Reverend Ron Sparks. Sparks talked about Bob and his tenure with the church and the efforts of Sgt. Blanton.

Keith Middleton – Provided the Council and Public with the Treasurers Report for September.

STAFF ANNOUNCEMENTS / REPORTS

Police Chief Hurtado reported that staff has looked at some areas of concern in our community and looking in to making the community safer with regards to flooding issues. Will be coming back to the Council with some ideas.

Fire Chief Armstrong reported that staff is working with County to improve coordinated efforts. Communicating with Kern County Fire Dept. for informal Chief coverage. Provided a power point presentation regarding a mobile app. Active 911. Active GIS mapping, fire pre-plans etc. A demonstration was performed to show how the program works.

Public Works Director Platt reported on department stats:

Water dept. 12 main line breaks/repairs. 22 service lines replaced. 1400ft. 10"C909 with 10" valve installed on Yerba. Replaced 5 AMS valves and 114 meters replaced. 25 pending work orders.

Fire Chief Armstrong introduced Curtis Faulkner (sp.) and Johnathon Lemus to the Fire Department Team.

Brenda Daverin Parks & Res announced that the 50th Anniversary Dinner/Dance, 40 tickets left. Ren Festival had a really good turn out; about 950 people participated. Looking for a few more people for Tiny Tots. Basketball and skills clinic underway. PAR 3 tournament for the Toy Drive. Nov 14, bring a toy and \$5. Kids Halloween Party this Saturday. Holiday Craft Fair, Nov 21. Taking applications for Vendors. Park Commission meeting tomorrow at 3pm. City Manager Weil reported that Scout Lodge Dedication will be on November 7. Read 140th extension letter from Schafer.

CIVIC / COMMUNITY / ORGANIZATIONS ANNOUNCEMENTS

Carolinda Batise – echoed Brenda about the 50th Anniversary Dinner/Dance. Tickets going fast.

PUBLIC COMMENT

Charles Shafer – City Ordinance 14-723, medical marijuana – was advised that this Ordinance has not been revised. Has concerns with ordinance, puts so many burdens on caretakers and patients. It makes it impossible to acquire this medication with these limits. Not all patients have paid or solicited requests for medical marijuana. Burdens or so high and harsh.

Mary Wady – asked for clarification of the 1 million dollar withdrawal, as per the Treasurers Report. Mayor Wood provided information. Hernandez advised that the monthly expenditures fluctuate so it's difficult to say what is spent per month; Vehicle damage due to some roadway disrepair. Claim was filed and is in process. Received clarification with regards to the Accountant.

Al Hudson – Wanted an update of GASB 67 & 68. Legal Counsel advised that he will get back to him. Audit completion questions answered by Hernandez. Water Rate affordability – Council members will review. Invoices for water billing – Mayor advised that the CCDR is the responsible party to pay the water bills for the Prison. Talk and opposition for possible Measure A, Police & Fire. Need to consider alternative funding. Would like to point out that Kern County receives an accounting award. He feels that we are not in compliance with our accounting.

Jeff Brader – sought an apology from the Mayor regarding the meeting of Sept 22, 2015. His definition was taken out of context and he did not say anyone was a liar. Wants to set the record straight. He apologized to Mr. Platt in the event he took his comment the wrong way. Mayor Wood apologized for her statement.

Ron Smith – Had altercations with chop saw, could not get assistance from the three medical clinics in town. He sought aide from the Fire Dept. Captain Roach and he was grateful and thankful.

Pat Bohannon – Would like to know what's going on with Tierra del Sol. In his tenure as Mayor, he saw two conspiracies; against Him and Councilmember Smith and now the golf course. He

feels that this facility is one of our biggest draws in our community and feels that people are misunderstanding his (Dacey's) efforts.

Sgt. Hayes (off duty) wanted to pass along his personal appreciation to the Council, City Manager Weil and Chief Hurtado.

CONSENT CALENDAR

CC 1. CITY CHECK REGISTERS dated through 10/22/15 **PAYROLL REGISTER** 09/22/15 – 10/05/15

CC 2. MINUTES: Special Meeting dated 06/30/15

CC 3. READING OF ORDINANCES

Waive reading in full of all ordinances under consideration, and direct the City Clerk to read by title only Adopt Ordinance No. 15-738 of **"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AMENDING THE CALIFORNIA CITY ZONING REGULATIONS TO INCLUDE DANCE STUDIO AS A PERMITTED USE IN THE C2 COMMUNITY COMMERCIAL, C4 SERVICE COMMERCIAL AND CS REGIONAL COMMERCIAL DISTRICTS AND AS A CONDITIONAL USE IN THE C1 NEIGHBORHOOD COMMERCIAL AND C3 COMMERCIAL OFFICE DISTRICTS"**

CC 4. California City Police: Kern County Real Estate Investigation Grant Award

CC 5. California City Proclamation: National Massage Therapy Awareness Week October 25-31, 2015

CC 6. California City Fire: Budget Transfer Request

CC 7. California City Police: Proposed Police Dispatch Supervisor position

CC 8. Side Letter of Agreement between City of California City and California City Misc. Employees Association October 2015

CC 9. Approval agreement with American Pavement Systems, Inc. for the California City Blvd Safety Improvements project - HSIPL - 5399-(023)

Al Hudson – \$50,000 and change being paid into water enterprise fund. Notices that Tierra del Sol is being paid for by the city, first time on check register. Was told that this was by contract. He feels that this is not true, that there are three years due to the fund by Tierra del Sol.

Pat Bohannon – Not on cc is the Tierra del sol payment in the amount of \$40,000. Mayor advised that it is on the register in the amount of \$35,000 ck no. 95448

McGuire asked for clarification on CC6. Pulling money from equipment to supplement uniform allowance

McGuire asked for clarification on CC7. Hurtado provided response, vacate dispatch II and keep it vacant.

McGuire shared his concern with expenditures with regards to \$22,781.32 on uniforms. Not talking about uniform allowance. Would like to have staff check back and provide response on why we are spending so much on uniforms, and also the department's uniform policies.

Motion by Mayor Pro Tem McGuire, second by Councilmember Warren to approve the consent calendar with the addition of CC9. Roll call vote as follows

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: Smith ck# 9557

ABSENT: None

CONTINUED BUSINESS

CB 1. McLarens Global Claim Services: Pool House Insurance Settlement

Public Works Director Platt reported on June 28, 2014 suffered damage due to fire. Insurance agreed to pay the amount of \$563,181 to rebuild the pool house. Old Pool house will be leveled and replaced with a metal building.

McGuire asked for a time frame – Platt advised by the beginning of next season.
Wood asked for the demolition costs – Platt will be using internal staff to lower costs. Will come back to Council if there are large items that staff cannot do.

Mary Wady was advised that the demolition will be done in house and the construction will be contract.

Motion by Councilmember Smith, second by Councilmember Gray to accept the offer from McLarens Global Claims Service in the amount of \$563,181. Roll call vote as follows

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

NEW BUSINESS

NB 1. Fire Department: OHV Incident Billing

Fire Chief Armstrong read the staff report regarding first responder billing. Looking to recover EMS supplies.

Mary Wady – was provided clarification regarding the billing. Department will be able to bill an out-of-town person's insurance companies.

Jeff Brady – great idea. Would like for the council to entertain the possibility of second community funds be used to pay the first responders.

Ron Smith – No brainer – very fair costs for receiving emergency care.

Al Hudson – Good idea – maybe the city can charge a one day insurance for the riders. Source of revenue?

Bill Tarvin - Self serve kiosks? Similar idea?

Smith wanted to make sure that the Department would track the data then send out to outside agency to collect.

Gray – Residents are not charged for the OHV portion. Armstrong is seeking direction regarding doing this for other calls (city).

Armstrong advise that he billed \$1700 and they received \$1570 for the accident on the 58. We do not get the whole portion. Wood asked for the percentage that we would receive.

Armstrong said that they base it on the amount billed. Gray – beats what we are getting now which is nothing.

Wood – asked for clarification on residents riding on the OHV area. Armstrong said that it is not his intention to do that. It should read nonresidents OHV riders in the area.

Keith Middleton received clarification – renters are residents.

Mary Wady – received clarification on non-residents – nonresidents in the OHV and first responders respond – will be able to recoup some costs associated with emergency care.

Gray – Does the possibility of this going into effect, deter OHV riders from coming out here?

Weil wanted to clarify the nonresidents – need to clarify that the property owners that pay taxes also need to be exempt.

Motion by Councilmember Warren, second by Mayor Pro Tem McGuire to approve the OHV rescue costs at the rate of \$350.00 with local property owners, including land owners and residents being exempt. Roll call vote as follows:

AYES: Gray, Smith, Warren, McGuire, Wood

NAYS: None

ABSTAIN: None

ABSENT: None

NB 2. Fire Department: California Incident Command Certification Systems (CICCS) Red Cards

Fire Chief Armstrong read the staff report. Advised that he would like for Council to review policy 1044 will require him to go back to the labor group. He asked for a two week extension. He is now seeking approval of the Fire Department Policy 631.

Al Hudson – how much more would the firemen that sign up for the strike force earn? Armstrong advised that they get a Bonus of \$3500 at the end of the year.

Smith – received clarification that they receive this only if they go out to the fire.

Gray – asked for clarification regarding the Chief being authorized to send staff and clarified that staff receives training etc. Armstrong is attempting to adopt the national procedures. There is a lot of liability. All documents must be in place.

Wood – asked about Appendix H. This appendix addresses physical fitness but it is not there. Armstrong – We still need to address the pack test for the City. The PMS 310-1, dated Oct 2015 does have the physical fitness standards in it. Make part of ours? We need to adopt something in the city.

McGuire asked if we should table this item until we determine the 1044 policy.

Gray – we have hired a Fire Chief with certain responsibilities. He is qualified to sign the on the ground red cards. The CICCS can be brought back when the 1044 is agreed upon.

Would like the Fire Chief to move forward instead of a third party. Wood – we have an MOU as a hook right now. Armstrong – would prefer to be the one that does this. He feels that he can sign someone off. Would like the Council to allow the Medical Director to certify the medical fitness before and after.

Andrew Roach – Captain, program has been incredibly successful. The revenue is good for the city and the guys to go out and get experience. They would like to also see annual physicals. The MOU does state the State standard; however it is not quantified. They developed a three year phase with the three year being the pack test.

Smith believes that Armstrong is experienced enough to handle this.

Ron Smith – his perception is that it comes across that the Fire Chief is not being trusted. We have never had two better chiefs (police & Fire) that have cared more about our City. He would hate to lose the Fire Chief. It appears that they are questioning his integrity. Wood explained that they have questions as they were under the impression that they already had

pack tests and then now we are not sure what they are so they (the Council) are trying to get clarification, not questioning the integrity of the Fire Chief.

Unknown? – understands that the Fire Chief is developing a standard and that they must adhere to Federal Standards while creating the City Standards.

Jeff Brader – little disturbed on how things are going. We have no balanced budget.

Listening to Chief Armstrong, he explained his situation with transparency and got scrutinized while the Finance Director did not comment on the fact that we have no balanced budget.

Al Hudson – the Chiefs credentials are outstanding. He watched the clock while he was being badgered about volunteer positions the chief knows what he is doing, well qualified and we have an attorney that can answer questions therefore badgering should not be happening.

Mayor feels that this would have gone better if there had been better communication.

Motion by Councilmember Warren, second Councilmember Gray to approve Fire Department Policy 631, complete review of 1044 and bring back following labor review. – Motion carried.

NB 3. City Council Chambers and City Hall Lobby: Proposed Carpet Replacement

Public Works Director Platt read the staff report.

Only received one quote from Moses Carpet to pull and replace the carpet in the Council Chambers and lobby areas of City Hall. Also it was budgeted this year in line item 10-4161-720

Ron Smith - \$7,000 plus. Look around we have cardboard boxes and file cabinets. Why are we spending more money we are in a crisis? He pleaded to stop spending money.

Mary Wady – agreed with Ron Smith. Asked if there was another estimates? – Platt advised that we requested four total but only one responded.

Sharon Bell – not sure that she would agree with the replacement but a good cleaning.

Jeff Brader – intrigued by the name of the carpet. Is there a real plan other than just buying carpet? If this is approved is there a plan to clean all the cabinets and boxes.

It doesn't appear that this has been thought out.

Weil – clarified that anyone that has ever remodeled their home that things are out of place for a time. We have been expanding the work space in the back. Things that the public doesn't see. Have a plan to remove the stuff to be transferred to the yard to house the cabinets.

We are going to have dignitaries here for the 50th Anniversary celebration. The carpet has been cleaned several times and it will not clean.

Al Hudson – asked why we couldn't put tile down – Wood said that it would affect the acoustics. Tile has insulation that is sound absorbing.

Smith – has a problem 232 square yards at \$38 yard. Pepper Williams does it for cheaper.

Gray – has a problem with the money being spent now. His gut tells him to put this off until a later time when we have a balanced budget. Bigger problems need to be dealt with first.

Warren – in real estate there is a difference between industrial and regular. Disappointed that we only got one response. Would like see a revised bid. Like to do tile but the echo is bad.

Requesting a second try on the bid.

McGuire – Would like to see if we could get another bid.

No Motion

NB 4. The City's 50th Anniversary Celebration

City Clerk Hilliker provided the staff report. Asking for 50th Anniversary support in the amount of \$3,000 to offset remaining costs to provide supplies for the event at City Hall on December 10th, 2015 at which time the Time Capsule will be opened. Would like the event to be classy and be proud of and something to remember.

Ron Smith – appreciates Denise's desire to do something special but if we did not use tax payers money for a party he would be all for it. He would give \$100 towards it if it's not going to be tax payer's money.

Gray – willing to participate.

Smith – if you can't raise enough, he will match the rest.

No Motion

COUNCIL AGENDA

AB 1234 – Gray. Tenure has expired and has requested to be on the state level with the league of California Cities.

Wood – went to Kern County Association of Cities Meeting – Brought back some info. On the petroglyph festival. Going to work on cross promotion. Also Kern COG meeting. During which the mud slides hit the 58. Wants to thank all the local restaurants aiding the stranded motorists and the help of the Police and Fire Departments. The personnel that came out to fix the break in Cache Creek.

Councilmember Smith – City spending a lot of money. Requested clarification on the 11.5 million dollars upside down and the interest being 7.5% where is this coming from.

We need maintenance on the streets on the "Hill". Hacienda washed out and the temporary pavement washed out. Needs attention again. We put money aside to purchase a sprayer, if we have received it why are we not using it.

Councilmember Warren – Supports our Police, Fire & Public Works Department. Noticed a big drop off with volunteers.

Mayor Wood – Dumping in our community, we will prosecute to the full extent of the law. Foraging in the trash, we need to begin reporting this and citations need to be issued.

ADJOURNMENT

Motion by Councilmember Warren, second by Councilmember Gray to adjourn at 8:54 pm.

Motion Carried 5-0

Respectfully submitted by,

Denise Hilliker, City Clerk

APPROVED BY CITY COUNCIL ON _____

Law Offices of Olaf Landsgaard

P.O. Box 2567
4171 Knox Avenue
Rosamond, CA 93560

December 31, 2015

City of California City
21000 Hacienda Blvd
California City, CA 93505
Attn: Mayor Woods

Re: Our Client: **Willie C. Brown**
Date of Incident: January 2014 through December 31, 2015
Location of Incident: 668 Janice Street
Mojave, CA 93501

Dear Mayor Woods:

This office represents Willie C. Brown. Mr. Brown asked you, personally, in July 2015 about the City's unauthorized use of his property at 668 Janice Street, and you told him you would look into it. Having heard no response, this letter is to demand payment of \$15,000 for past use, and continued rent of \$100 per day from this day forward. In the alternative, the City of California City can purchase a permanent easement for \$31,000.00. Please note that continued use, without payment, is considered a trespass:

“As a general rule, landowners and tenants have a right to exclude persons from trespassing on private property; the right to exclude persons is a fundamental aspect of private property ownership.”

(*Allred v. Harris* (1993) 14 Cal.App.4th 1386, 1390 [18 Cal.Rptr.2d 530], internal citation omitted.)

Background

Mr. Brown purchased his home in Wonder Acres prior to annexation by the City of California City. After annexation, Mr. Brown purchased a parcel 14 feet wide by 630 feet long (along the length of his home at 668 Janice Street, Mojave, CA 93501) from Kern County. Since the purchase of the property, the City of California City has used it to house a water line through it (and have not paid for the use of his property, in violation of the 5th Amendment).

(661) 256-9271, (661) 256-9212 (Fax)

Website: www.olaflandsgaard.com e-mail: olaf@olaflandsgaard.com

“The right to a lawyer is a constitutional right for a reason.”

CC3

*Letter to City of California City
December 31, 2015*

As stated earlier, this letter is to demand \$15,000 for the illegal entry and use of his property over the last two years. In addition, Mr. Brown is demanding \$100 per day for each day the water pipe remains on his property. In the alternative, the City of California City can purchase a permanent easement for \$31,000.00.

Enclosed for your reference is a copy of the current property profile. Please note the map (an extra copy is enclosed, with highlights of the property and the merged 14 foot piece of property purchased) and the tax sale deed from Kern County. The tax sale deed states "No Taxing Agency objected to the sale". It refers to APN 225-061-19 – which no longer exists. What does exist (on the map of Tract 1482) is a dotted line along the western edge of APN 225-061-30 (aka 668 Janice Street). After Mr. Brown purchased the property, the County "merged" it with his home property.

Formally:

You are hereby notified that Willie C. Brown, whose property address is 668 Janice Street, California City, CA 93505, claims damages from the City of California City. This claim is based on damages sustained as noted above, and is based on the United States Constitution (including the 4th, 5th, and 14th amendments), the California Constitution (including the right to privacy), common law, and the statutes and regulations of the State of California, including Civil Code sections 51.7 and 52.

The City can satisfy its obligations under the law by either paying \$15,000 for past use, and continued rent of \$100 per day from this day forward – or - in the alternative, the City of California City can purchase a permanent easement for \$31,000.00 by January 18, 2016. If the City chooses the latter, it will be up to the City to draft the easement for our review.

Of course the amount exceeds \$10,000.00.

Willie C. Brown can be contacted through his counsel, Olaf Landsgaard, at the address on the top of this letter. Thank you for your courtesy and prompt response.

Sincerely,



Olaf Landsgaard

cc: Willie C. Brown

CITY COUNCIL

January 26, 2016

TO: Mayor and City Council

FROM: Public Works Director Craig Platt

SUBJECT: Resolution to Authorize Submittals of CalRecycle Applications

BACKGROUND

Our City staff works diligently to meet all of Cal Recycle requirements and regulations. One of the aspects of CalRecycle is the ability to apply for programs that offer money to help with recycling. In order for the City to meet the requirements of CalRecycle; the City Council must approve a resolution allowing staff to apply for the programs that are offered.

RECOMMENDATION

For the City Council to adopt the resolution to authorize the submittal of applications for payment programs and related authorizations.

FISCAL IMPACT TBD

ENVIRONMENTAL ACTION N/A

CC4.

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY
AUTHORIZING SUBMITTAL OF APPLICATION FOR PAYMENT PROGRAMS AND
RELATED AUTHORIZATIONS**

WHEREAS, pursuant to Public Resources Code section 48000 et seq. the Department of Resources Recycling and Recovery (CalRecycle) has established various payment programs to make payments to qualifying jurisdictions; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish procedures governing the administration of the payment programs; and

WHEREAS, CalRecycle's procedures for administering payment programs require, among other things, an applicant's governing body to declare by resolution certain authorizations related to the administration of the payment program.

NOW, THEREFORE, BE IT RESOLVED that of California City is authorized to submit an application to CalRecycle for any and all payment programs offered; and

BE IT FURTHER RESOLVED that the City Manager or his/her designee, is hereby authorized as Signature Authority to execute all documents necessary to implement and secure payment; and

BE IT FURTHER RESOLVED that this authorization is effective until rescinded by the Signature Authority or this Governing Body

PASSED, APPROVED and ADOPTED and this 26th day of January, 2016, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Jennifer Wood, Mayor

Denise Hilliker, City Clerk
(seal)

CITY COUNCIL

January 26, 2016

TO: Mayor and City Council

FROM: Rudy Hernandez, Finance Director

**SUBJECT: ADOPTION OF RESOLUTION APPROVING THE FISCAL YEAR 2016-17
BUDGET AND FISCAL POLICIES.**

BACKGROUND

The Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) have adopted recommended budgeting procedures and policies that governments should include in their annual budgets. One of these is to have adopted budget and fiscal policies. Based on this information, attached for your review are budget & fiscal policies that staff would like to include in the final budget.

There are no new recommended changes in this year's budget and fiscal policies from the prior year.

RECOMMENDATION

For the City Council to adopt the attached resolution adopting the fiscal year 2016-17 budget and fiscal policies.

FISCAL IMPACT

None.

ENVIRONMENTAL ACTION

None.

CC5.

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CALIFORNIA CITY APPROVING FY 2016-17 BUDGET AND FISCAL POLICIES.**

WHEREAS, the City Council of the City of California City has reviewed the proposed budget and fiscal policies for fiscal year 2016-17; and

WHEREAS, the City Council of the City of California City has, as a result of the review, identified those budget and fiscal policies which would be most beneficial to the financial operations of the City; and

WHEREAS, the Government Finance Officers Association (GFOA) and the California Society of Municipal Finance Officers (CSMFO) recommends that Local Governments have budget and fiscal policies included in the final budget.

BE IT FURTHER RESOLVED, that the budget and fiscal policies, attached hereto and made a part hereof, is hereby ratified by the City Council are to become effective immediately.

PASSED, APPROVED AND ADOPTED on the 26th day of January, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jennifer Wood, Mayor

ATTEST:

Denise Hilliker, City Clerk

(SEAL)

City of California City

Budget and Fiscal Policies

The following budget and fiscal policies are presented to provide guidance and consistency in decision-making for the City's management team and City Council. These policies will assist the City in achieving overall financial planning and rate setting processes from year-to-year for the City's operations. The proposed policies are guidelines that should be reviewed at the beginning of each fiscal period to determine if they are still relevant and appropriate. The budget and fiscal policies framework is shown below:

1. Revenue Policies
2. Budget Policies
3. Reserves & Designations
4. Capital Improvement Policies
5. Debt Policies
6. Grants Management

1. Revenue Policies

Annual Revenues should be estimated during the budget preparation. All revenue forecasts are to use generally accepted forecasting techniques.

- 1.1 The City will continue to maximize the availability of revenue through aggressive collection of receivables, prudent investments and proper timing of cash disbursements.
- 1.2 For the City to Maximize revenue, all fees and charges for services shall be routinely reviewed to ensure that rates are equitable and cover the total cost of services provided.
- 1.3 The City will estimate revenues using an objective, analytical process; in the case of assumption uncertainty, forecasts shall be conservative.
- 1.4 The City will seek federal and state grants and reimbursements for mandated costs whenever possible.
- 1.5 Interest earnings shall be allocated **quarterly** to all funds based on **quarterly average** ending cash balances. Funds with negative cash balances shall not be credited with interest earnings or charged interest expense.
- 1.6 Special tax revenues shall be used only to pay for costs as authorized by the tax
- 1.7 Revenues of a limited or definite term will be used only for one-time expenditures. The city will avoid using temporary revenues to fund program services.

2. Budget Policies

The City of California City, like any other Government Agency, should strive to maintain financial stability, both on a short-term and long-term basis. Financial stability is not only a prudent financial management goal; it can also minimize financial costs in the long-term (e.g. unnecessary borrowing). Above all, financial stability will provide the community with the confidence of knowing a strong, consistent management team is managing the city. The approved annual budget document provides the spending limits by fund for the fiscal year. The city will follow administrative policy and state regulations on all expenditure line items. Management and staff will follow the philosophy of cost control and responsible financial management. The goal will be to balance annual expenditures with the annual revenues. The city will not use short-term borrowing to finance current operating needs without a financial analysis showing impacts to the city as a whole.

- 2.1 The primary city budget objective is to provide the highest possible level of service to residents of California City without impairing the City's sound financial condition. Continual efforts will be made to improve productivity, lower costs and enhance services.
- 2.2 The City will prepare an annual budget document each fiscal year (July 1 to June 30) that provides a basic understanding of the planned spending for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for public input prior to final adoption of the budget.
- 2.3 Laws and regulations limiting use of revenue sources must be explicitly addressed in the budget process.
- 2.4 The City's annual budget will be presented for each budget **and** will be presented for each governmental and enterprise fund with a logical breakdown of programs and line-item detail. The budget document for each fund will also be presented for discussion and review by the City Council and the public. This document will focus on policy issues and will summarize expenditures at the personnel, operating and maintenance, capital outlay, debt service, and capital improvement levels. Where practical, the City's annual budget will include standards of workload, efficiency and effectiveness.
- 2.5 Joint or common costs of the City shall be allocated between governmental and enterprise funds based upon a "fair" methodology that utilizes appropriate criteria (e.g. labor ratios, number of customers, asset value, work stations, square footage, FTE's etc.). The specific allocation method for the joint/common cost should be the method that the City deems to be most appropriate and equitable. The joint/common cost allocation should be reviewed during the annual budget process.
- 2.6 The City will endeavor to keep current expenditures less than current revenues. Current expenditures are defined as operating expenses, debt payments, and capital outlay expenditures. The City will strive except under the extraordinary circumstances approved by the City Council to operate within the approved budgetary amounts to avoid deficit spending.
- 2.7 For Enterprise Funds, the City should have annual net income (total revenue less O & M, debt service and capital projects funded from rates) greater than or equal to zero.
- 2.8 The City will maintain a budgetary control system to ensure adherence to the overall budget for each governmental and enterprise fund and will prepare regular reports comparing actual revenues and expenditures/expenses for each fund.

- 2.9 At mid-year, there shall be a comprehensive review of the operations to date in comparison to the existing budget. Projections of revenues and expenditures through the end of fiscal year will be prepared and reviewed by management staff with a report to the City Council no later than February of the current fiscal year.
- 2.10 The operating budget will be prepared to fund current year expenditures with current year revenue. However, surplus fund balances may, in the City's discretion, be used to increase reserves, fund capital improvement projects, or be carried forward to fund future year's operating budgets when necessary to stabilize services.
- 2.11 The City will avoid budgetary and accounting procedures that balance the current budget at the expense of future budgets. Budget items requiring City Council action:
 - a) Appropriation of reserves
 - b) Transfers between funds
 - c) Appropriation of any unanticipated revenues
 - d) Inter-fund loans
 - e) Creation of new CIP projects and appropriation increases in existing CIP projects
- 2.12 Budget adjustments will be presented to City Council throughout the year as necessary.

3. Reserve & Designations

The City will establish, dedicate and maintain, as appropriate, reserves annually to meet known and estimated future obligations. If reserves are depleted, the reserves should be replenished over a five (5) year period to re-establish targets.

- 3.1 The City will endeavor to maintain an operating reserve equal to 30 percent of the General Fund operating budget. The operating reserve shall be available to: cover cash flow requirements; meet unanticipated revenue shortfalls; take advantage of unexpected opportunities; invest in projects with a rapid payback; and ensure against physical or natural disasters.
- 3.2 The City will endeavor to maintain operating reserves in the water and wastewater utility enterprise funds equal to 25 percent of the operating budgets.
- 3.3 The City will establish reserves for replacement of facilities and infrastructure.
- 3.4 The City will set aside money in the reserve account to cover the annual debt service payments due on principal and interest.

- 3.5 Rate Stabilization – Money set aside to normalize fluctuations in revenues so that rates for water and sewer services will be more stable. The amount is set at a maximum of 5 percent of each funds operating budget.
- 3.6 Staff will review the amount of the reserve requirement annually and the City may increase the reserve by the amount necessary to meet future identified, one-time needs, and specific expenditures requiring the accumulation of funds over a given period.

4, Capital Improvement Policy

- 4.1 The City will coordinate preparation of the Capital Improvement Budget with preparation of the Operating Budget. Future operating costs associated with new capital improvements will be projected and included in the Operating Budget forecasts.
- 4.2 The City prefers a “pay as you go” strategy wherever possible. When appropriate, capital improvements will be paid through current revenue/reserve sources rather than financing capital projects over a period of time.
- 4.3 The City staff will identify the estimated costs and potential funding sources for each proposed capital project before it is submitted to the City Council for approval. If potential funding source is not available and staff recommends a loan to fund the CIP Project, staff will identify where the loan proceeds will come from prior to submitting to the City Council for approval.
- 4.4 Changes or deviations from the approved Capital Improvement Program should be accounted for and reported directly to the City Council before proceeding on the project. The report should include an analysis of long term financial costs and the overall impact to the current Capital Improvement Program due to the change or deviation. With City Council approval, unexpended project appropriations will be carried forward as continuing appropriations to future fiscal years as required to complete the intent of the original budget. This request will take place in October of each year following the completion of the prior year’s annual audit.
- 4.5 The City shall attempt to determine the least costly financing method for all new projects
- 4.6 The City will actively pursue grant and other outside funding sources for all capital improvement projects.

5. Debt Policies

- 5.1 The City will limit the use of debt so as not to place a burden on the fiscal resources of the city and its residents.
- 5.2 The City will use debt financing when it is judged to be appropriate based on the long-term capital needs of the city and the city's ability to repay the indebtedness has been evaluated in light of all sources and uses of cash.
- 5.3 The first preferred source of debt is to utilize inter-fund "loans" **and include a repayment schedule**
- 5.4 When capital projects are financed, the City will amortize the debt within a period not to exceed useful life of the project.
- 5.5 The City will not use long-term debt for current operations.
- 5.6 The City will generally conduct debt financing on a competitive basis.
- 5.7 The City will strive to maintain the best possible bond rating on all debt issuances.
- 5.8 The City will at a minimum meet the debt service coverage requirements stated in the bond covenants.

6. Grant Management

- 6.1 The City shall actively pursue federal, state and other grant opportunities when deemed appropriate. Before accepting any grant, the City shall thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant.
- 6.2 The term of Grant funded positions should be clearly identified and presented to the City Council for approval. It is mandatory to disclose if General Fund revenues will be needed to fund a position after the Grant expires.
- 6.3 Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers, and the service program will be adjusted to reflect the level of available funding. In the event of

reduced grant funding, City resources may be substituted only after all program priorities and alternatives are considered.

City Council

Meeting Date: November 10th, 2016

TO: Mayor and Council

FROM: Tom Weil, City Manager

Subject: Request of Extension of Park Hours for California Department of Corrections and Rehabilitation (CDCR) Crab Feed

Background:

The California Department of Corrections and Rehabilitation (CDCR) will be holding an employee appreciation night on March 19, 2016. This "Crab Feed" event will be held at the Strata Center in Central Park from 8 pm to 12 pm., which is two hours after the closing time of the Park. They are requesting an extension of hours till midnight that evening to allow participants to attend the event and clean up to take place in the time allotted.

Recommendation:

Council approve the extension of Central Park hours to midnight on March 19, 2016 for the CDCR's Crab Feed event, pending receipt of "self-insured" documentation.

Fiscal Impact:

Non profits do not pay for the use of the building but they do pay \$10 per hour for a parks staff member to be present on site and to lock up following event.

Environmental Impact: None

CC6.



Knights of Columbus Council #6705
P.O. Box 2096
California City, CA 93504

Ms. Denise Hilliker
City Clerk, City of California City
21000 Hacienda Boulevard
California City, CA 93505

January 4, 2015

Ms. Hilliker,

As you know, the Knights of Columbus Council #6705 (DBA "Friends of Our Lady of Lourdes") operates a weekly Bingo game at the Parish Hall of Our Lady of Lourdes Catholic Church. We are hereby seeking to once again renew our Bingo Permit, which expires on January 20, 2015 (please see attached City Council Memo, dated January 21, 2015). Below are the annual updates to the information we have previously provided.

If you have any questions, or require any additional information, please feel free to contact me. My E-mail address is: KofCCouncil6705@gmail.com, and by my cell phone number is: (661) 816-9540. We thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregg A. Bendrick', is written over a light blue horizontal line.

GREGG A. BENDRICK
Financial Secretary
KofC Council #6705

The following information is stated in the order of the Section 5-2.303 Applications:

- (1) **Date of application:** January 4, 2015
- (2) **Name of applicant:** Knights of Columbus Council 6705, DBA "Friends of Our Lady of Lourdes"
- (3) **Legal capacity of applicant, e.g., corporation, partnership, individual:** Catholic Fraternal Service Organization
- (4) **Mailing address of applicant:** Kof C Council #6705, P.O. Box 2096, California City, CA 93505
- (5) **Proposed location of bingo game:** Our Lady of Lourdes Church Hall, 9970 California City Blvd, California City, CA 93505
- (6) **Description of the building where the bingo game is to be conducted, including dimensions and type of construction:** See attached drawing.
- (7) **Required statement:** The Our Lady of Lourdes Parish Hall building conforms to all applicable laws.

CC 7.

- (8) **Required statement:** The applicant understands the application shall be considered by the City Council only after full investigation and a report thereon has been made by designated City officials.
- (9) **Required statement:** No intoxicating liquors or beverages will be sold, given away, dispensed or consumed in the area designated for bingo games.
- (10) **Required statement:** The permittee will conform to State and City laws as provided in Article 3 Bingo Games.
- (11) **Required statement:** The applicant has read and understands this article, Article 3 Bingo Games.
- (12) **Required statement:** The operators are capable of meeting the financial requirements of this Article (Article 3 Bingo Games).

Knights of Columbus Council #6705 agrees to the following permit conditions (Section 5-2.306 Permit Conditions): Each permit shall include the following terms and conditions:

- (a) No person who has been convicted of a felony or crime of moral turpitude may participate in the operation of a bingo game.
- (b) The bingo games shall be conducted in a building which complies with laws.
- (c) The operator of the bingo games shall comply with the Penal Code.
- (d) Bingo games may be conducted only between the hours of 12:00 noon and 12:00 midnight and not more than 3 days per week. No bingo session shall exceed 6 continuous hours and not more than one (1) bingo session shall be permitted in any one day by any one permittee. The permittee may not conduct additional bingo sessions at locations where 3 sessions have been authorized by the City to be conducted during that week. For the purposes of this subsection, a week begins on Sunday.
- (e) No person shall serve or consume alcoholic beverages within the rooms where bingo is being played.
- (f) No persons under the age of 18 shall operate or participate in a bingo game.
- (g) Bingo permit, rules and regulations and the permittee's rules of bingo operation shall be conspicuously posted at the public entrance to the room where bingo is played. Posted rules shall be readable, legible and accessible to participants.
- (h) A member of the permittee's organization shall be designated as a bingo manager. The bingo manager shall be responsible for the conduct and operation of the bingo games and for compliance with all applicable laws, rules and regulations promulgated there under. The bingo manager shall be present during the playing of bingo games.

Our four Bingo Managers are:

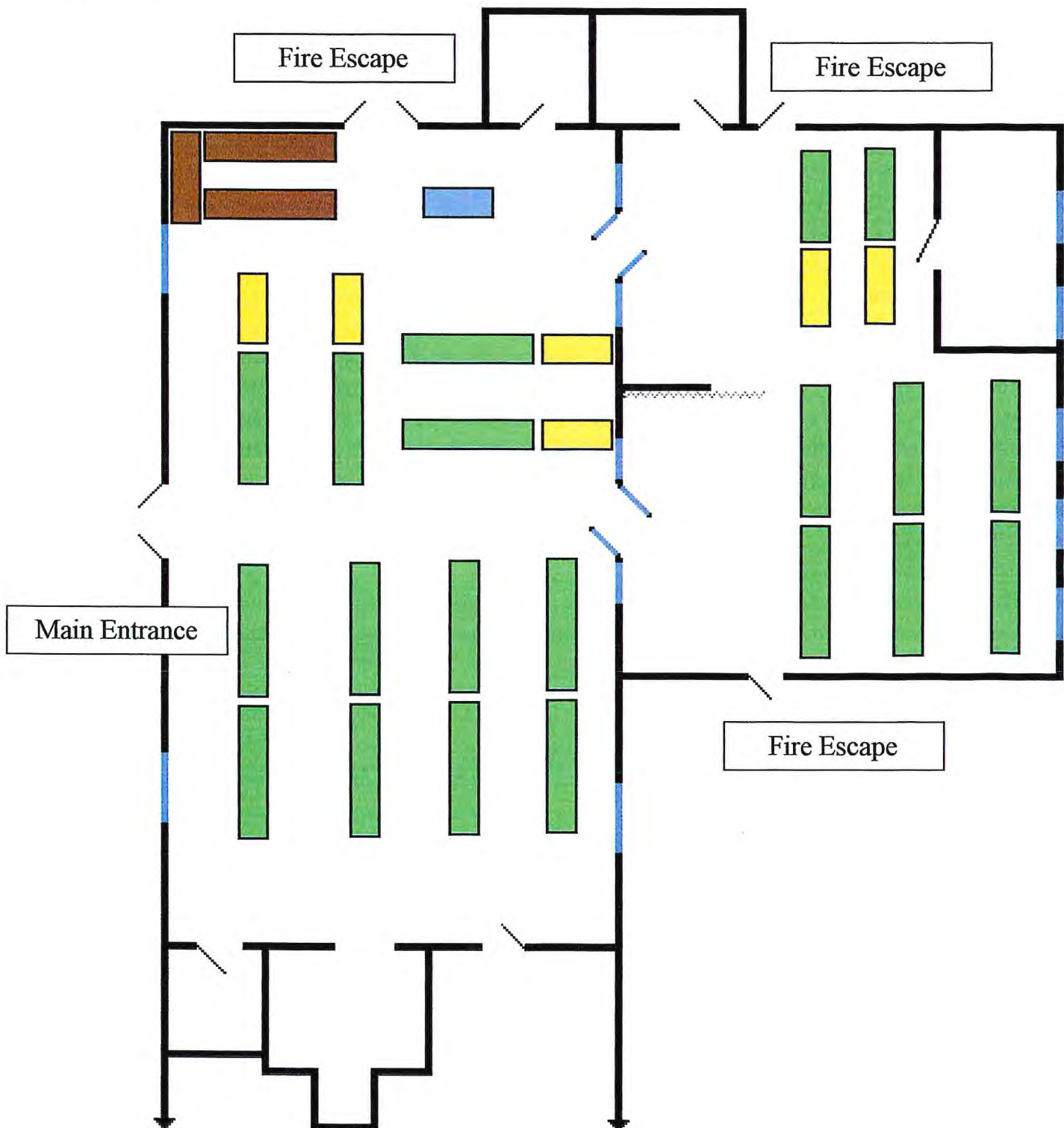
- (1) Mr. Rodolfo Gomez Jr. [REDACTED]
- (2) Dr. Gregg A. Bendrick, [REDACTED]
- (3) Mr. Jimmie Cox, [REDACTED]
- (4) Mr. Darwin D. Warfield, 10825 Jeremy Drive, California City, CA 93505; E-Mail: Darwin_warfield@yahoo.com
- (5) The total value of prizes awarded for any one bingo game shall not exceed the current retail value of \$500.00 in the aggregate, whether the prizes are in cash or some other form. Prior to the commencement of each game,

the prize shall be announced and a facsimile of the type of games to be played shall be awarded immediately following each bingo game.

- (6) Games shall be completed during each session.
- (7) Bingo numbers shall be announced and displayed in full view of players. An adequate public address system shall be used for this purpose.
- (8) Each card shall have an equal opportunity to win each game.
- (9) Advertising or publicity for bingo shall include reference to the valid bingo license permit number issued by the City.
- (10) At least two (2) members of the permittee's organization shall jointly count bingo proceeds. Such proceeds shall be deposited into a special bingo account on the next banking day and shall not be commingled with other monies. The monies deposited in the special account may be transferred to another account or fund of the permittee's organization or to another account or fund of other organization or entity associated or affiliated with the permittee's organization for the purposes of implementing charitable expenditures of bingo proceeds provided:
 - (11) No monies from sources other than bingo proceeds are placed in such fund;
 - (12) The purpose of such fund is clearly designated as a part of the title or subtitle of the fund and in the books and records of the organization;
 - (13) Expenditures shall be for the purposes permitted by the Penal Code;
 - (14) Disbursements from the special fund shall be by consecutively numbered checks signed by two authorized officers of the permittee and shall be payable to a specific individual or organization. There shall be written on each check the nature of the expenditure for which the check is drawn. No check shall be drawn to "cash" other than for the payment of incidental bingo expenses. Such checks shall be marked "for deposit to the petty cash fund". Such petty cash fund shall not at any time contain more than \$25.00 and a receipt shall be obtained for each disbursement indicating the amount disbursed, the individual or organization receiving the cash disbursement is made.
- (15) No person shall play a bingo game on credit.
- (16) Bingo financial records including books and records of the permittee and organizations or entities associated with or affiliated with the permittee for the purpose of disbursing charitable expenditures of bingo proceeds shall be available for inspection by the Chief of Police, or designee.

Our Lady of Lourdes Church Hall
9700 California City Boulevard
California City, CA 93505

Fire Safety requirements state no hall exits will be blocked at any time. TABLE Placement: The white tables used in the Hall come in two sizes—long and short. The long tables locations are colored Green and Brown and the short tables are Yellow and Blue. Green tables are set with three chairs each side; Yellow tables with two each side chairs. The Brown table area requires only two chairs between the tables, and the Blue table requires only two chairs.



Controlled Substance Accountability

510.1 PURPOSE AND SCOPE

This purpose of this policy is to establish the procedures for the supply, use and accountability of controlled substances administered by the California City Fire Department Advanced Life Support (ALS) providers. These procedures are intended to ensure the availability of the proper medications for emergencies and to comply with all applicable regulations governing controlled substances (21 CFR 1300 and the Drug Enforcement Agency (DEA) Controlled Substance Act).

510.1.1 DEFINITIONS

Definitions related to this policy include:

Advanced Life Support (ALS) unit - ~~An Engine, Truck, Squad or Utility, staffed with a Paramedic and outfitted with the required ALS equipment to render Medical Care as per Kern Policy as a Fire Responder Paramedic ambulance, staffed by two certified paramedics, containing a full complement of equipment to provide ALS treatment.~~

Controlled substance - A drug, substance or immediate precursor listed in any schedule of the Controlled Substance Act..

Emergency Transport (ET) unit - ~~An ambulance staffed by two Emergency Medical Technicians (EMTs) that responds to medical aid calls.~~

Paramedic Assessment Unit (PAU) - ~~Specility Vehicle for expanded scope EMS care; not currently in service. An engine or truck company staffed with one certified paramedic, for the purpose of assessing the need for an ALS unit.~~

510.2 POLICY

It is the policy of the California City Fire Department that all department ALS providers authorized to handle controlled substances shall follow the procedures described in this policy. Supervisors shall provide the necessary oversight and control to ensure compliance with all local, state and federal regulations governing the supply, use and accountability of all controlled substances.

510.3 STORAGE AND INVENTORY

To prevent the unauthorized access of controlled substances during an incident, the controlled substances must either be in direct possession of a paramedic or locked in a secured area, without exception.

The Medical Director ~~EMS supervisor~~ will determine the locking mechanism to be utilized on vehicles that contain controlled substances. Controlled substances should be secured in the locked mechanism any time the unit is parked and unattended.

All personnel authorized to handle controlled substances shall follow this procedure unless prior written permission to deviate is obtained from the Medical Director ~~EMS supervisor~~ or designee:

California City Fire Department

Controlled Substance Accountability

- (a) All controlled substances are to be secured by department members in the designated locking mechanism specified by the county EMS agency and provided by the Department.
- (b) At each shift change, an incoming and outgoing paramedic shall, in each other's presence, inspect the quantities, the integrity of the containers and the expiration dates of the controlled substance inventory on the ALS or PAU units. Each paramedic shall attest to the quantity available by printing and signing his/her full name on a controlled substance Narc Log daily report. At no time shall an individual enter a name or signature on behalf of another person.
- (c) After each use on an incident, the on-duty administering paramedic shall sign the narc log and complete any paperwork required to document use
- (d) If the inventory of any controlled substance is less than the established level, the paramedics must immediately reconcile the amount missing. If the discrepancy cannot be reconciled, immediate notification shall be made to the Company Officer, Fire Chief and Medical Director ~~company officer, the~~ ~~and the EMS supervisor~~. The Medical Director ~~EMS supervisor~~ shall be responsible for the completion and submission of the online DEA Form 106, Report of Theft or Loss of Controlled Substances.
- (e) If the ALS unit ~~or PAU company~~ is dispatched to an incident before the daily inventory occurs, the inventory and reconciliation shall be done as soon as practicable upon returning to the station. If the outgoing paramedics have already left the station, one on-duty paramedic and the company officer from the on-duty shift may conduct the inventory and reconciliation process.
- (f) Paramedics at a station with assigned ALS Units ~~ET ambulances~~ are responsible for the inventory, patient administration and reconciliation of the supply of controlled substances. This responsibility shall not be delegated to non-paramedic personnel.
- (g) In the event that a paramedic works two consecutive shifts on the same unit (96 hours), the inventory shall be performed by the paramedic and witnessed and verified by another paramedic assigned to the station, a company officer or the Fire Chief ~~an engineer~~.
- (h) The controlled substance daily report and the controlled substance drug disposition and restock record shall be maintained on board ALS units, PAU company and ET ambulances. These documents shall be available for random inspection and review by the Medical Director ~~EMS supervisor~~ and local, state or federal regulatory representatives to ensure compliance.
- (i) When a Narc Log ~~controlled substance daily report~~ is completed on the last day of the month, the company officers from each shift shall review the report for completeness and sign the bottom of the record. After review, the company officer shall forward a copy of the report, along with a copy of the corresponding controlled substance disposition and restock record to the Medical Director ~~EMS supervisor~~ no later than the 15th day of the subsequent month.

California City Fire Department

Controlled Substance Accountability

- (j) A copy of the controlled substance daily report and controlled drug disposition and restock record should be maintained in the station files for a period of one year. After one year, the station copies shall be shredded.

510.4 CONTROLLED SUBSTANCE ADMINISTRATION AND DOCUMENTATION

- (a) Each time a controlled substance is administered to a patient, the drug, dose and administration route shall be documented on the Pre-hospital Care Report (PCR) in compliance with local EMS agency guidelines. In addition, the following information shall be recorded on the controlled substance disposition and restock record:
 - 1. Date of administration
 - 2. Incident number associated with the event
 - 3. PCR number
 - 4. Patient's full first and last name (when known)
 - 5. Drug and dose administered
 - 6. Printed first and last name and signature of paramedic who administered the controlled substance
 - 7. Date and source of the medication resupply
 - 8. Printed first and last name and signature (initials are not acceptable) of the paramedic who replaced the administered controlled substance.
- (b) If the entire amount of a controlled substance is not administered by the transporting paramedic, a licensed staff member for the hospital that received the patient shall witness the proper disposal of the remaining amount. The hospital staff member's signature must be obtained on the controlled substance disposition and restock record. If waste of a controlled substance occurs at the incident, another paramedic must witness the waste and sign the record.
- (c) When a controlled substance is restocked, the following information shall be entered on the controlled substance disposition and restock record on the line immediately below the corresponding patient information:
 - 1. The date
 - 2. The restock source
 - 3. The printed full name and signature of the paramedic who placed the controlled substance into the locked mechanism
- (d) Each controlled substance disposition and restock record should be signed by the company officer or if none, one of the other station captains must note this on the line reserved for the company officer signature.

California City Fire Department

Controlled Substance Accountability

510.4.1 ADDITIONAL ALS UNIT PROCEDURES

~~If a controlled substance is administered from the drug box of a PAU by a paramedic and the care of the patient is transferred to a transporting paramedic who resupplies the PAU, the information listed above must appear on the controlled substance disposition and restock record of the PAU and ALS unit that provides the drug for restock, in addition to the unit identification of both the PAU and the ALS unit.~~

If a ALS PAU paramedic transfers the care of a patient to a transporting paramedic prior to the administration of the entire dosage of a controlled substance taken from the inventory of the ALS Unit PAU, any remaining controlled substance shall not be provided to the transporting paramedic. If additional medication is needed after the patient care transfer, the controlled substance shall be used from the inventory of the transporting paramedic.

510.4.2 ADDITIONAL ET AMBULANCE PROCEDURES

~~If a controlled substance is administered from the drug box of an ET ambulance by a paramedic, the information listed above must appear on the controlled substance disposition and restock record of the ET ambulance and the paramedic unit, in addition to the unit identification of both the PAU and the ALS unit.~~

510.5 CONTROLLED SUBSTANCE SUPPLY AND RESUPPLY

- (a) The Medical Director ~~EMS supervisor~~ shall submit a completed DEA Form 222 to the designated department supplier to order controlled substances in order to maintain established levels.
- (b) Upon receipt of the controlled substance from the vendor, the EMS supervisor or two (2) the designated ALS-licensed paramedics shall inventory the controlled substance received to ensure that the type and quantities ordered match the type and quantities received and are reflected on the corresponding DEA Form 222.
- (c) The Medical Director ~~EMS supervisor~~ or the two (2) designated ALS-licensed paramedics will immediately place the controlled substance in the EMS drug vault and ensure that inventory is reconciled with any electronic data files.
- (d) The Medical Director ~~EMS supervisor~~ or the EMS Coordinator ~~designated ALS-licensed paramedic~~ will inventory the controlled substance vault weekly to ensure the existing inventory is reconciled with any electronic data files. The record of this inventory is to be printed and maintained by the EMS Coordinator, Medical Director ~~EMS supervisor~~ or the authorized designee for a minimum of one ~~three~~ years.

510.5.1 PAU RESUPPLY

510.5.2 ALS RESUPPLY

If a controlled substance is administered from the inventory of the department ALS Unit ~~ET ambulance~~, re-supply may occur from another ~~the~~ department ALS unit on the incident or may occur from the Departments department's automated inventory control unit or other authorized

California City Fire Department

Controlled Substance Accountability

source any time it is operationally appropriate. Resupply from a non-department source is not authorized. Documentation must occur, witness sign and re-stock policy followed

510.6 STANDARD CONTROLLED SUBSTANCE INVENTORY

- (a) The standard complement of controlled substances shall be:
1. **ALS units** - Per Kern County EMS Policy ~~Four morphine pre-fills, two morphine vials and four Versed® vials~~
 2. **PAUs** ~~Two morphine pre-fills, two morphine vials and two Versed vials~~
 3. **ET units** ~~Four morphine pre-fills, two morphine vials and four Versed vials~~
 4. **Temporary PAU/ALS units** - ~~A kit comprised of one pre-filled morphine sulfate 10mg/10ml, one morphine sulfate vial 10 mg/1ml and two Versed vials 5mg/1ml. When the temporary PAU/ALS unit is directed to stand-down, the controlled substances and all related documentation shall be sealed in a controlled substance envelope and secured in the locked return box of the automated inventory control unit or other authorized supply source.~~
- (b) Any modification to the standard complement of controlled substances shall be justified and approved by the Medical Director and must comply with Kern County EMS policy ~~EMS supervisor or the authorized designee.~~
- (c) The supply of controlled substances will be obtained from any of the department's ~~automated inventory or control units or the EMS section~~ drug vault. An EMS member must be present to remove the controlled substance from the EMS section drug vault. 2 Paramedics, or a Paramedic and a Company Officer or Fire Chief must be present to restock an ALS Unit
- (d) Only paramedics and department ~~the~~ MEDical Director ~~registered nurses~~ are authorized to remove controlled substances from the ~~automated inventory control unit~~. A witness ~~(paramedic, EMT-1 or registered nurse)~~ is required in order to access the automated inventory control unit. When removing controlled substances from any automated inventory control unit, all authorized personnel shall record the following information in the designated fields:
1. The patient's first and last name (when known) and sex
 2. Unit identification number and PCR number
 3. The incident number
 4. Any additional pertinent information may be entered into comments field
- (e) When a controlled substance is received from the department's ~~automated inventory control unit~~ or any other source, the paramedic retrieving the drug must immediately secure the drug into the locked mechanism on the unit.

California City Fire Department

Controlled Substance Accountability

510.7 ACCOUNTING FOR EXPIRED OR DAMAGED CONTROLLED SUBSTANCES

Controlled substances due to expire or that are damaged may be replaced as follows:

- Note the expiration date or damage, the date of replacement and the source of restock on the department's controlled substance disposition and restock record.
- The expired drug or damaged container must be placed in the supplied envelope and labeled with the type of drug, dosage, ALS unit identifier, name of the paramedic who returned the drug and the date.
- The exchange of a damaged or expired controlled substance using the department's automated inventory control unit shall be recorded.
- Once an expired or damaged controlled substance is placed in the labeled envelope, the paramedic shall put the drug in the locked return box next to the department's automated inventory control unit.

510.8 INVENTORY CONTROL

510.9 ACCOUNTABILITY

The Medical Director ~~EMS-supervisor~~ should:

- (a) Review all controlled substance daily reports and the controlled substance drug disposition and restock records for completeness, compliance with established procedure, consistency with the data entered, comparison to the signatures on file and any other issues that may require follow-up or investigation.
- (b) ~~Create, complete, maintain~~ Review and annually update the department's signature log.
- (c) Randomly inspect controlled substance daily reports and the controlled substance drug disposition and restock records on ALS units, ~~PAU company and ET ambulances~~.
- (d) Ensure copies of controlled substance daily reports and the controlled substance drug disposition and restock records are maintained for a period of one year. ~~three years~~.
- (e) Notify the Fire Chief ~~responsible~~ Captain of any item that deviates from this policy.

City Council

Meeting Date: January 26th, 2016

TO: Mayor and Council

FROM: Ton Weil, City Manager

Subject: Public Hearing to Consider Amending the Zoning Regulations Revising Language Pertaining to Permitted and Conditional Uses in All Commercial Zones

Background

On June 12, 2012 the Planning Commission conducted a public hearing proposing an amendment to the Zoning Regulations pertaining to Permitted and Conditional Uses in All Commercial Zones by Resolution 6-12-2012PC. The Commission voted to forward this resolution to the City Council for consideration and adoption. There was a modification to the language under Section 9-2.1502 Conditional Uses All Commercial Districts.

Comparing the text of the Commission's Resolution 6-12-2012PC and the text of the Council's Ordinance 12-711, the Council's adopted version states under, Section 9-2.1502 (a) A commercial business not specifically listed for a zone can be operated if the business is similar to a listed business and not shown below. The Commission's version states under, **Section 9-2.1502. Any non-categorized commercial businesses not listed in any area can be considered through the conditional use process.** The Planning Commissioners unanimously were in agreement to have their original language placed back into the Municipal Code.

Recommendation

Conduct the public hearing, take public testimony, and give first reading, by title only, with further reading waived of **"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AMENDING CHAPTER 2 OF TITLE 9 OF THE CALIFORNIA CITY MUNICIPAL CODE RELATING TO PERMITTED AND CONDITIONAL USES IN ALL COMMERCIAL ZONES"**

Fiscal Impact

N/A

Environmental Impact The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and has been found to be exempt pursuant to Section 15061 (b) (3) (general rule) of the CEQA Guidelines, in that it can be seen with certainty that there is no possibility that the proposed amendment to the Zoning Code will have a significant effect on the environment.

PH 1.

ORDINANCE NO.

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF CALIFORNIA CITY AMENDING CHAPTER
2 OF TITLE 9 OF THE CALIFORNIA CITY
MUNICIPAL CODE RELATING TO ZONING
REGULATIONS PERTAINING TO PERMITTED AND
CONDITIONAL USES IN ALL COMMERCIAL
ZONES**

WHEREAS, the City Council of the City of California City, pursuant to its police power, may adopt land use regulations to protect the health, safety and welfare of the public, Cal. Const. art. XI, § 7; and

WHEREAS, this amendment to the Zoning Regulations will promote the welfare of the community by making clear that any business type not enumerated in the City's Zoning Regulations may be permissible with a conditional use permit; and

WHEREAS, this amendment to the City's Zoning Regulations has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and has been found to be exempt pursuant to Section 15061 (b) (3) (general rule) of the CEQA Guidelines, in that it can be seen with certainty that there is no possibility that the proposed amendment to the Zoning Code will have a significant effect on the environment; and

WHEREAS, this amendment is consistent with the City's general plan; and

WHEREAS, this amendment is consistent with California City Planning Commission Resolution A12-01-2015PC, which was recommended for adoption after a public hearing conducted on December 1, 2015 and recommended for adoption by the Planning Commission that same date; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Subsection (a) of section 9-2.1502 of Article 15 of Chapter 2 of Title 9 of the California City Municipal Code is hereby amended to read as follows:

9-2.1502. Conditional Uses All Commercial Districts.

(a) Any non-categorized commercial businesses not listed in any area can be considered through the conditional use process.

Section 2. Any provision of the California City Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance.

Section 3. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of California City hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

Section 4. The Mayor shall sign and the City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published and posted pursuant to the provisions of law in that regard and this Ordinance shall take effect 30 days after its final passage.

Approved for introduction at a regular meeting on the 26th day of January 2016, by the following vote:

AYES:
NOES:
ABSENT:

PASSED, APPROVED AND ADOPTED on , 2016, by the following vote:

AYES:
NOES:
ABSENT:

Jennifer Wood, Mayor

ATTEST:

APPROVED AS TO FORM:

Denise Hilliker, City Clerk

Christian Bettenhausen, City Attorney

STATE OF CALIFORNIA)
COUNTY OF KERN) ss.
CITY OF CALIFORNIA CITY)

I DENISE HILLIKER, City Clerk of California City, do hereby certify that the foregoing Ordinance No. was introduced on the 26th day of January 2016, was regularly adopted at a meeting thereof on the day of, 2016 and was published/posted pursuant to law.

Denise Hilliker, City Clerk

CITY COUNCIL

January 26, 2016

TO: Mayor and City Council

FROM: City Manager, Tom Weil

SUBJECT: Tierra Del Sol Golf Course Fence Change Order

BACKGROUND:

City Staff has asked Fence Masters for a quote to add additional gates and fencing around the Tierra Del Sol Golf Course. The additional costs are a change order to the contract that was already approved on January 12, 2016. The change order includes two 6' gates on Conklin for Fire Department Access (\$1820); 12' of fence and two 4' gates in the alley way by Windsong (\$2840); 130' of fence to close off an open area over by Windsong (\$5200) and 50' of fence to close off another open area over by Windsong (\$2000).

RECOMMENDATION:

Staff is recommending that the Council approve the \$11,860 change order from Fence Masters to install the additional fence and gates. The total cost of the new contract with the change order would be \$109,844.96. The fund would come out of the Council Special Projects Fund Account Number 10-4564-740.

FISCAL IMPACT:

Council Special Projects	10-4564-740	\$11,860
--------------------------	-------------	----------

ENVIRONMENTAL ACTION: No Direct

ATTACHMENTS:

Quotes

CBI.

Fence Masters

Marv Hernandez 7030 Mendiburu Rd. California City, CA 93505

(760) 382-0606 or (760) 373-7750

Ca St. Lic # 737289 C-13 HIC - Bonded - Insured

ADD ON

marv_hernandez@yahoo.com

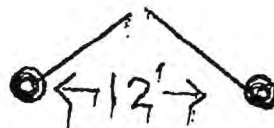
Quote Date 1-15-16 Completion Date _____ Invoice# _____

Name CALIF CITY
C/O JOE BARAGON Address GOLF COURSE

Phone 373-7162 Email _____

Fax 760-373-7532 QUOTE FIRE GATE^s AT BONKLIN

INSTALL: ① 8' High x 12' WIDE FIRE
GATE / 9 ga CHAINLINK
ALL INDUSTRIAL FRAMING
ON SC 40 3" POST



\$1820.00

***** This quote can only be guaranteed for 30 days from the above quote date *****

Fence Masters

Marv Hernandez 7030 Mendiburu Rd. California City, CA 93505

(760) 382-0606 or (760) 373-7750

Ca St. Lic # 737289 C-13 HIC - Bonded - Insured

ADD ON³

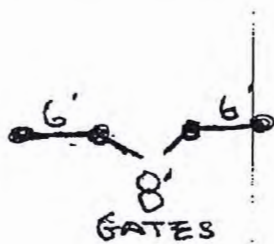
marv_hernandez@yahoo.com

Quote Date 1-15-16 Completion Date _____ Invoice# _____

Name CALIF CITY
JOE BARAGON Address GOLF COURSE

Phone 373-7162 Email _____

FAX 760-373-7532 QUOTE WINDSONG Fencing



② 6' PANELS

① 8' Double GATE

\$ 2,840⁰⁰

130' OF 8' INDUSTRIAL

120' 110'

\$ 5,200⁰⁰

10' 40'

\$ 2,000⁰⁰

***** This quote can only be guaranteed for 30 days from the above quote date *****

Total \$10,040⁰⁰

40/100

Accepted Bid

Fence Masters

Marv Hernandez 7030 Mendiburu Rd. California City, CA 93505

(760) 382-0606 or (760) 373-7750

Ca St. Lic # 737289 C-13 HIC - Bonded - Insured

marv_hernandez@yahoo.com

Quote Date 1-4-16 Completion Date _____ Invoice# _____

Name CITY OF CAL CITY
C/O JOE BARAGAN Address GOLF COURSE
373-7162

Phone _____ Email _____

FAX 760-373-7532 QUOTE PLAIN CHAINLINK

INSTALL 7,200^{FT} OF 8^{FT} High 9 GA.
CHAINLINK / ALL INDUSTRIAL
MATERIALS AS TO SPEC.
with GATES

① 5x8 MAN GATE

① 6x8 MAN GATE

① 10x8 DRIVE GATE

MATERIAL & Labor **\$97,984.96**

WINDSON \longleftrightarrow **10,040.00**

FIRE GATE \rightarrow **1,820.00**

109,844.96

Total
11,860.
Change
Order

***** This quote can only be guaranteed for 30 days from the above quote date *****

CITY COUNCIL

22 January 2016

TO: Mayor and City Council

FROM: Rudy Hernandez, Finance Director

SUBJECT: Review and Approval of Accounting Policies Manual.

BACKGROUND:

Attached for your review is the the proposed accounting policies manual as presented to the City Council on Tuesday January 12, 2016. Staff has updated the proposed accounting policies manual to reflect the input received from the City Council. In reviewing the latest accounting policies manual, you will note that staff has included a new section referred to as "Audit Policy and procedures".

For you review, staff has also included a copy of the audit findings and current year recommendations for the FY 2013-14 audit. The purpose of including this report is to address the issues raised by the City Council which are:

- Root cause of the audit finding?
- What type of corrective action is needed to address the audit finding?
- What is the target implementation date?

RECOMMENDATION

Staff recommends that the City Council discuss and approve the proposed accounting policies manual.

FISCAL IMPACT:

None.

ENVIRONMENTAL ACTION:

None.

ATTACHMENTS

Proposed Accounting Policies Manual
Audit Findings and Current Year Recommendations.

CB2.



Accounting Policies Manual

TABLE OF CONTENTS

Introduction	5
Organization Structure	6
The role of the City Council	
Finance Department Responsibilities	
Finance Department Overview	8
Organization	
Responsibilities	
Security	9
Finance Department	
Access to Electronically Stored Accounting Data	
Storage of Back-U Files	
Balance Budget Policy and Procedures	10
Purpose	
Policy	
General Provisions	
Balance Budget provisions	
Utility Billing Policy and Procedures	12
Purpose	
Procedures – opening and closing accounts	
Water Billing	
Collections	
Disconnection of Water Service	
Payment Processing	
Returned Checks	
Internal Controls	
Petty Cash Fund Policy and Procedures	19
Purpose and Background	
Expenditures of a Petty Cash Fund	
Maintaining a Petty Cash Fund	
Using a Petty Cash Voucher	
Reimbursement after Purchase	
Cash Advance Prior to Purchase	
When a Petty Cash Fund May Not be Used	
Replenishing a Petty Cash Fund	
Establishing, Increasing, or Decreasing a Petty Cash Fund	

Terminating a Petty Cash Fund	
Accounts Payable and Procedures	24
Purpose and Background	
Procedures	
Preparation of an Accounts Payable Package (A/P Package)	
Recording and Processing of Accounts Payable	
Payment Discounts	
Employee Expense Reports	
Manual Checks	
Void Checks	
Summary	
City Credit Card Use	29
Purpose and Background	
Policy	
General Provisions	
Administrative Responsibility	
Fixed Assets Capitalization and Control Policy	32
Purpose and Background	
Policy	
Objectives	
Procedures	
Control Policy – (Safeguarding)	
Depreciation	
Disposal of Fixed Assets	
Inventory	
Annual Investment Policy	36
Policy Statement	
Scope	
Prudent Person Standard	
Investment Objectives	
Delegation of Authority	
Ethics and Conflict of Interest	
Investment Advisory Committee	
Authorized Financial Dealers and Institutions	
Authorized and Suitable Investments	
Competitive Bidding	
Master Repurchase Agreement	
Investment Pools	
Collateralization	
Safekeeping and Custody	
Diversification and Risk	

Maximum Maturities
Internal Control and Review
Performance Benchmark
Reporting
Investment Policy Adoption
Appendix – A Description of Authorized Investments and Restrictions

Payroll Policies and Procedures	61
Purpose and Background	
Policy	
Procedures	
Termination	
Payroll Changes	
Timekeeping and Labor Distribution	
Labor Distribution	
Payroll Payment	
Payroll Deductions	
Payroll Taxes	
Travel Policy Statement	66
Purpose and Background	
Policy	
Procedures	
Continuity of City Government Policy	
Cash Receipts Policy and Procedures	69
Purpose and Background	
Cash Received at City Hall	
Cash Received at the Programs	
Reconciliation of Bank Deposits	
Fiscal Year-End Closing Procedures	72
Purpose and Background	
Policy	
General provisions	
Audit Policy and Procedures	74
Policy	
How Often to Review the Selection of the Auditor	
Selecting an Auditor	
Preparation for the Annual Audit	
Audit Findings	
Unannounced Audits	

INTRODUCTION

The following accounting manual is intended to provide an overview of the accounting policies and procedures applicable to the City of California City. Its purpose is to ensure that assets are safeguarded, financial statements are in conformity with generally accepted accounting principles, and that finances are managed with responsible stewardship. This manual is intended as well to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The contents of this manual were approved as official policy of the City of California City by the City Council. All Finance employees from the City of California City are bound by the policies herein, and any deviation from established policy is prohibited.

ORGANIZATIONAL STRUCTURE

The Role of the City Council

City of California City is governed by its City Council. The City Council is responsible for the oversight of the organization by:

1. Planning for the future
2. Establishing broad policies
3. Identifying and proactively dealing with emerging issues
4. Interpreting the City's mission to the public
5. Appointing the City Manager, City Attorney and City Clerk

The roles of the City Manager and staff

The City Council is responsible for hiring and periodically evaluating the City Manager. The City Manager reports directly to the City Council and is responsible for the day-to-day oversight and management of the City of California City.

The City Manager is responsible for hiring and evaluating Department Directors each of the City's departments except the City Attorney, City Treasurer and City Clerk. Each Department Director reports to the City Manager. Within each Department, Department Directors are responsible for hiring, with approval from the City Manager, employees to work in that department. All employees within a department shall report directly to the Department's Director, who shall be responsible for managing and evaluating all employees within the department.

The Finance Director shall be the chief accounting officer of the City and shall have charge of the administration of the financial affairs of the City of California City, under the direction of the City Manager. The Department of Finance shall be under the direction of the City Finance Director.

Finance Department Responsibilities

The Finance Director is responsible for direction and oversight regarding the overall financial management of the City of California City.

Functions of the Finance Department include:

1. Preparation and review of the City's annual budget
2. Monitoring actual vs. budgeted financial performance
3. Long-term financial planning
4. Invest City funds and monitors performance

5. Oversight of reserve funds
6. Responsible for recommending the hiring of and communicating with an independent CPA firm to fulfill the requirement for an annual audit.
7. Prepares the final audited financial statements (CAAFR)
8. Responsible for payroll duties and responsibilities
9. Responsible for accounts payable duties and responsibilities
10. Responsible for business license maintenance, administration and control
11. Responsible for utility billing/cashiering maintenance, administration and control
12. Responsible for maintenance and control of Fixed Assets.

Organization

The finance department consists of eight permanent full time and two permanent part time temporary staff members that manage and process financial information for the City of California City. The positions comprising the Finance Department of the City of California City, and the titles of each position used throughout this manual, are as follows:

- | | |
|--|------------------------|
| • Finance Director | Rudy Hernandez |
| • Accountant | Jason Williams |
| • Data Processing/Analyst | Cindy Berry |
| • Account Clerk III - Accounts Payable | Theresa Lucero |
| • Account Clerk III - Payroll | Serina Rodarte |
| • Account Clerk II - Utility Billing | Magdalena Arias |
| • Account Clerk I - Utility Billing | Lurline (Lee) Brackett |
| • Account Clerk I - Utility Billing | Sun-ok Akers |

Responsibilities:

The primary responsibilities of the Finance Department consist of:

- General Ledger
- Budgeting
- Annual Audit
- Financial Statements Preparation
- Cash and Investment Management
- Grant Administration
- Purchasing
- Revenues
- Cash Receipts
- Accounts Payable
- Cash Disbursements
- Payroll
- Bank Reconciliation
- Cash Reconciliation
- External Reporting of Financial Information
- Compliance with Government Reporting Requirements

SECURITY

Finance Department

A lock will be maintained on the doors separating City staff administration offices and the lobby. This door shall be closed and locked during working hours. The key/combination to this lock will be provided to all finance department personnel. The combination of lock will be changed at the discretion of the Finance Director.

Cash received from customers shall be stored in a fireproof cabinet that is located inside the vault in the finance department. Blank check stocks (accounts payable/payroll), petty cash box, keys, and Dial-A-Ride tickets are also stored in the in finance vault. This vault will be closed and locked at all times.

Financial documents are stored in locked filing cabinet located in the finance department vault room.

Access to the finance department vault room requires a minimum of 2 employees. Each employee shall sign the Log Book Form - Safe Room Access Form (no exceptions).

Access to Electronically Stored Accounting Data

It is the policy of the City of California City to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

Accounting personnel are expected to keep their passwords secret. Administration of passwords shall be performed by the Finance Director and IT department. Each password enables a user to gain access into the accounting software only to those menus necessary for each employee's required duties.

Storage of Back-Up Files

It is the policy of the City of California City and responsibility of the IT Department to maintain back-up copies of electronic data files offsite in a secure, fire-protected environment, back-up is performed in a daily basis. Access to back-up files shall be limited to individuals authorized by management.

Policy Title: Balance Budget Policy and Procedures
Policy : Accounting Policies and Procedures

1.00 Purpose

The purpose of this policy is to establish clear guidelines and procedures for adopting a balance budget.

1.01 Policy

This policy applies to all city employees and city council members who have been authorized to use city funds to conduct day-to-day business transactions.

1.02 General Provisions

1.02.01 The primary budget objective is to provide the highest possible level of service to the residents of California City without impairing the City's sound financial condition. Continual efforts will be made to improve productivity, lower costs and enhance services.

1.02.02 The City will prepare an annual budget document each fiscal year (July 1 to June 30) that provides a basic understanding of the City's planned spending for the coming fiscal year. Copies of the proposed and final budget will be made available to all interested parties and opportunities will be provided for public input prior to final adoption of the budget.

1.02.03 The budget will be based on generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) and the interpretations contained in the Governmental Finance Officers Association publication Governmental Accounting, Auditing and Financial Reporting.

1.02.04 Laws and regulations limiting use of revenue sources must be explicitly addressed in the budget process.

1.02.05 The City's annual budget will be presented for each governmental and enterprise fund with a logical breakdown of programs and line-item detail. The budget document for each fund will also be presented for discussion and review by the City Council and the public. This document will focus on policy issues and will summarize expenditures at the personnel, operating and maintenance, project and capital improvement levels. Where practical, the City's annual budget will include standards of workload, efficiency and effectiveness.

Policy Title: Balance Budget Policy and Procedures
Policy : Accounting Policies and Procedures

1.03 Balance Budget Provisions

- 1.03.01 When Revenues = Expenditures:** When revenues equal expenditures, departments impacted by insufficient funding to support additional expenditures will be required to make adjustments to their budgets to accommodate available revenue. If, under limited conditions, expenditure needs are greater than availability of revenue and expenditures are critical to meeting the mission of the department, the department must submit a justification of the need. If Council, by 4/5th vote agrees that the expenditures are critical, Council will by a second 4/5th vote allow city reserve funds to be used.
- 1.03.02 General Fund Reserves:** Any general fund revenues that are surplus at the end of the fiscal year will remain in the general fund reserve in order to have access to funding for emergency or necessary city business. Use of these funds will always involve a 4/5th vote of council.
- 1.03.03 Special Revenue Funds:** Special revenue funds are used to account for resources that are legally restricted for specific purposes (e.g. grants). Since the purpose of a special revenue fund is to demonstrate that restricted resources have been spent for their intended purposes, there is normally no need to maintain a budgetary cushion. In other words, use of reserves may be used to achieve its intended purposes.
- 1.03.04 Capital Projects Funds:** The main purpose of capital project funds is to track spending on major capital projects or equipment replacement. It is presumed that all of the fund resources eventually will be expended. Like special revenue funds, use of reserves may be used to achieve its intended purposes.
- 1.03.05 Debt Service Funds:** Debt service funds are used to account for the payment of principal and interest on long-term debt. Like special revenue and capital project funds, use of reserves may be used to achieve its intended purpose.

Policy Title: Utility Billing Policy and Procedures
Policy : Accounting Policies and Procedures

2.00 Purpose

To establish and clarify departmental procedures for utility billing services.

Assignment of Responsibility

- 2.01.01** The Finance Director will ensure that the appropriate measures are taken to ensure fair and courteous service to the residents of the City of California City.
- 2.01.02** The Finance Director is responsible for overseeing the implementation of the utility billing procedures including payment processing, water service account maintenance, water service request, billing and delinquent procedures and the handling of non- sufficient funds checks (NSF).
- 2.01.03** The Finance Director is responsible for insuring full compliance with the specifics of this policy.

Procedures

Opening and closing water accounts

- 2.02.01** To open a water account the customer must submit an application, along with a valid ID, social security number, and proof of ownership/lease agreement.
- 2.02.02** Under extenuating circumstances, the Finance Director or City Manager may allow time for proper documentation to be brought in.
- 2.02.03** If the applicant should fail to provide proper documentation needed to complete the water application within the next 48 hours, the water may be shut off the next business day.
- 2.03.04** A water deposit is due prior to the beginning of water service which consists of both a refundable and non-refundable service fee. Please see master fee schedule for applicable water deposit rates.
- 2.03.06** If there is a balance due on the closing bill after the refundable deposit is applied, a final bill will be issued.

Policy Title: Utility Billing Policy and Procedures
Policy : Accounting Policies and Procedures

- 2.03.07** If there is a credit balance on the closing bill after the refundable deposit is applied, a check will be issued to the customer within thirty (30) days after the closing date.
- 2.03.08** If customer has previous account(s) that are in collections, the city's collection agency will be contacted to verify amount(s) and full payment must be made prior to opening account or satisfactory arrangements made with us in house collections.
- 2.03.09** If there is a balance owed on the closed account, balance on the account must be paid in full before opening new water service. Under extenuating circumstances, the Finance Director or City Manager may allow customer to open account.
- 2.03.10** No applications will be processed after 4pm. Applications can be handed out and brought back the following business day.
- 2.04.11** Accounts that are closed and do not have a sign up will remain closed and locked.
- 2.04.12** If the account is closed by a customer, then the water service shall be disconnected at the time that the final reading is obtained and locked.
- 2.04.13** The service will remain in the owner's name until the owner closes the service, or until a new tenant signs up.
- 2.04.14** All service will stay disconnected until a new customer signs up and pays any applicable deposits and provides all documentations.
- 2.04.15** All Closed water service accounts that have a credit balance will be processed for a refund if the City has a forwarding address.

2.05 Water Billing

- 2.05.01** The city reads the meters the first week of the month. Bills are prepared and mailed out approximately by the 20th of the month. The due date will be 19 days from mail out date of the following month. If the due date falls on a Holiday or weekend, the due date will be the following business day.

Policy Title: Utility Billing Policy and Procedures
Policy : Accounting Policies and Procedures

2.06 Collections

- 2.06.01** If payment is not received by the due date, the city will assess a late fee and send out a delinquent bill reminder letter.
- 2.06.02** As a courtesy to our water customers, a penalty on a water account may be waived once every 12 months.
- 2.06.03** A customer who has a penalty on an account and has extenuating circumstances may request a fee waiver. The City Manager or Finance Director may waive the penalty. (Supporting documentation will be required.)
- 2.06.04** Delinquent bills are due 15 days from the due date, as indicated on the bill as well as on the reminder letter, and should be paid by phone, in person, or via the City's website before the delinquent due date. Account will be subject to termination if not paid within 15 days from delinquent date.
- 2.06.05** Each account that is in good standing may be granted an extension. The extension does not prevent the account from having a penalty assessment if applicable, but will prevent water service disconnection.
- 2.06.06** An extension has to be approved and the account holder must sign a promissory note by 4 PM the previous date before issuing a door hanger and an extension cannot be accepted by a phone call, voice mail or email.
- 2.06.07** An extension is denied for a new customer who has an account less than six (6) months old except for a special circumstance. A customer has to provide documents.
- 2.06.08** Each account can have a maximum of two (2) extensions per calendar year and an extension can be every six (6) months.
- 2.06.09** No account is allowed an extension on an extension.
- 2.06.10** If a payment is not received by the agreed-upon date (on promissory note) for the extension, a door hanger will be issued to request payment within 2 days and, if not paid, water service will be disconnected and the account will be subjected to a reconnection fee.

Policy Title: Utility Billing Policy and Procedures
Policy : Accounting Policies and Procedures

2.06.11 All accounts that have shown a repeated failure to satisfactorily make payment in a timely manner can have their extension privileges revoked by the City of California. "Extension Revocation" status will remain in effect until the Finance Director/City Manager authorizes the account to be released from the status.

2.07 Disconnection of Water Service

2.07.01 Accounts are subject to disconnection of water service if payment is not posted by 5 PM on the date indicated on the door hanger.

2.07.01.01 All outstanding charges, including the reconnection fee is due prior to the reinstatement of water service.

2.07.01.02 If customer comes in by 3 pm that business day, water service will be reinstated that same business day. If customer comes in after 3pm, water will be reinstated the next business day. If customer desires to have water service reinstated after 3pm, an after-hours fee will be assessed.

2.07.02 All accounts with a delinquent balance of \$25.00 or more will receive a door hanger.

2.07.02.01 The Door Hanger shall state the amount due and the date in which it is to paid to avoid disconnection of service.

2.07.02.02 Utility accounts that receive a "Door Hanger" who do not post a payment by 5PM on the date given are subject to disconnection of service and a reconnection fee will be assessed.

2.07.03 Utility accounts with an outstanding balance of \$25.00 or less will not be turned off for non-payment and the balance due will be forwarded to the next bill.

2.08 Payment Processing

2.08.01 The City of California City accepts payment by cash, check, money order, credit card (Visa, MasterCard, American Express or Discover). Payment are accepted in person at the Cashier's window, in the night drop boxes, through the City's website, through the customer's bank bill- pay system, by telephone, or by mail.

Policy Title: Utility Billing Policy and Procedures
Policy : Accounting Policies and Procedures

Customer shall take full responsibility for ensuring payment arrives to city on time.

2.08.02 Payments received are processed and credited to the account on the same business day in which they are received.

2.08.03 Payments sent to other City departments for utility services cannot be guaranteed to be processed and credited to the customer's account on the same business day.

2.08.04 Payments received by City's website will be credited to the customer's account on the date in which the online transaction is completed unless the transaction was done after 8:00 p.m. Pacific Standard Time.

2.08.05 City reserves the right to deactivate the website at any time for maintenance purposes.

2.08.06 If payment is not made on-time, there will be a late fee charged to the account even if the customer does not receive their bill.

2.08.07 Payments received after 5:00 p.m. will be posted the following business day.

2.08.08 Customers may make check payments in the night drop box located in the parking lot behind California City City Hall at any time.

2.08.09 Payments are collected by Finance Department Employees from 8am to 5pm and are credited to the customer's utility account that same business day. Payments received after 5pm will be posted the following business day.

2.09 IV. Returned Checks

2.09.01 Non-Sufficient Funds (NSF) all returned checks will be penalized.

First Time - If a customer's check is returned due to insufficient funds or for any other reason, it shall be the policy of the city that the customer must pay by cash, money order or credit card over the next six (6) months. After this is requirement is met, the customer's check writing privileges will be reinstated.

Second Time – After the customer's privileges have been reinstated, if that same customer bounces a check within the next twelve (12) months, he/she must pay by

Policy Title: Utility Billing Policy and Procedures
Policy : Accounting Policies and Procedures

cash, money order or credit card over the next twelve (12) months. After this requirement is met, the customer's check writing privileges will be reinstated.

Third Time – After the customer's privileges have been reinstated, if that same customer bounces a check within the next twelve (12) months, he/she must pay by cash, money order, or credit card over the next twenty-four (24) months. After this requirement is met, the customer's check writing privileges will be reinstated.

After the Third Time – After the customer's privileges have been reinstated, if that same customer bounces a check within the six (6) months, check writing privileges will be suspended permanently.

2.10 Internal Controls

2.10.01 In order to strengthen our internal controls in our utility billing program, the following internal controls have been implemented.

Examples of utility billing transactions that may require a utility billing adjustment:

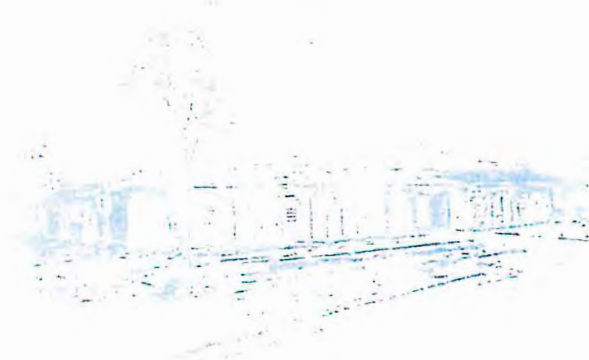
1. Request to waive late charge penalty fee
2. Request to waive door hanger fee
3. Misposting of utility billing payment
4. Prorata utility bill (e.g. customer moves in during the middle of a billing cycle).
5. Adjust utility bill to reflect a low or high water read (high/low reads)
6. Adding or deleting utility billing charges (Billed wrong address)
7. Transfer utility water billing account balance from one account to another (e.g., customer moves into town, we discover that he/she owes the City for past due utility bill.
8. Other utility billing issues that mentioned above.

Step One: Finance staff member (Account Clerk) completes the attached utility billing adjustment form then signs it and gives it to finance director for approval. The utility billing adjustment form must have back up documentation supporting the request.

Policy Title: Utility Billing Policy and Procedures
Policy : Accounting Policies and Procedures

Step Two: After finance director approves and signs the utility billing adjustment form, he/she then submits the adjustment form to the Data Processing Analyst for posting.

Step Three: After the Data Processing Analyst receives the utility billing adjustment form, she/he will post the adjustment to the utility billing program within 5 days from receiving it or before the next billing cycle whichever come first. The finance director shall receive a copy of the utility billing adjustment form once it has been posted by the Data Processing Analyst.



Revised 12/9/10

City of California City

City Hall

PHONE 760 373-8871

21000 HACIENDA BLVD. - CALIFORNIA CITY, CALIFORNIA 91357

Utility Billing Adjustment Request Form FINANCE USE ONLY

Date _____

Acct # _____
Name _____
Address _____

Billing Adjustment requested

	Amount
<input type="checkbox"/> Late Fee	_____
<input type="checkbox"/> Reconnect Fee	_____
<input type="checkbox"/> Door Hanger	_____
<input type="checkbox"/> Other	_____

Description

☐ Approved
☐ Denied

Request form submitted by _____ Date _____
Finance Director Signature _____ Date _____

Posted by: _____ Date Posted _____

Policy Title: Petty Cash Fund and Procedures
Policy : Accounting Policies And Procedures Manual

3.00 Purpose and Background

Petty cash funds provide an efficient and cost-effective way to make prompt payments for minor business expenses. Petty cash may be used for most authorized City expenses up to \$75 per transaction. Petty cash funds are established on an *impress* basis, which means at a fixed amount that is restored to its authorized level at frequent intervals by replenishing the cash in an amount equal to the expenditures. Subject to the terms and conditions of section 3 regarding establishing additional petty cash funds, the Finance Department shall maintain a petty cash fund for City use.

3.01 Expenditures of a Petty Cash Fund

Only those expenditures that a reasonable and prudent person would consider as having a public purpose, being for the benefit of the City and not personal in nature, will be allowed. Employees will use good judgment when expending public funds and will avoid any transaction that may appear inappropriate.

3.02 Maintaining a Petty Cash Fund

3.02.01 General Procedures

- The petty cash fund shall be accessible **only** to the Custodian or Alternate Custodian. The cash must be kept in a secure area such as a safe or a lockable drawer that must be kept locked at all times.
- Vouchers must be completed for all transactions in ink or by typing.
- The Department Head shall review all transactions for appropriateness of the expense and feasibility as a petty cash transaction prior to reimbursement by the custodian.
- The Custodian shall reconcile the petty cash fund each time it is replenished.
- Any discrepancies (i.e. shortages or overages) are the responsibility of the Custodian and should be reported on the reconciliation.
- The Finance Director must review and approve each reconciliation.
- Both the Finance Director and City Manager must approve any amount over the \$75 per transaction limit.

3.03 Using a Petty Cash Voucher

A petty cash voucher is used to record an expense and the reimbursement of that expense. The petty cash voucher, when completed, shall include all of the following information:

- Date, Payee and Amount
- Description and purpose of items purchased (if not listed on the vendor receipt)
- Signature and department of purchaser
- Account, fund, department ID, project numbers
- Signature of the Department Head for the purchase
- Original vendor receipt or invoice, attached, vendor must sign the petty cash voucher
- An original receipt or invoice from the vendor is required for reimbursement. The receipt or invoice shall include all of the following information:
 - Vendor name and Date of purchase
 - Items purchased (to be completed by purchaser if not on receipt)
 - Quantity and price per item
 - Sales Tax
 - Total Price

3.04 Reimbursement After Purchase

Purchases must be approved by the Department Head before the goods are bought. For reimbursements, the Custodian shall:

- Obtain a vendor receipt from the purchaser and prepare the petty cash voucher.
- Ensure that the documentation (vendor receipt or petty cash voucher) clearly identifies the item(s) / service(s) purchased, the date, cost and purpose.
- Ensure that this was an appropriate purchase from the petty cash fund and that the material or service was actually received by the department.
- Obtain the Department Head's signature on the voucher authorizing the purchase.
- Obtain the purchaser's signature on the petty cash voucher before reimbursing the purchaser from the fund.
- Initial by the amount on the voucher to indicate that the money has been disbursed.

Policy Title: Petty Cash Fund

Policy : Accounting Policies And Procedures Manual

- If business meals are being reimbursed, ensure that purposes, dates and attendees are listed, and that they are in accordance with travel policy.

3.05 Cash Advance Prior to Purchase

Under certain circumstances and when necessary cash deemed may be advanced by the fund Custodian for a purchase under the following conditions:

- Written approval by the Department Head.
- The advance is used only for the specific purchase approved and may not be outstanding for more than two working days.
- The purchaser signs a petty cash voucher, which should be marked "Advance for Purchase". The signed form is kept intact and placed in the petty cash fund box.
- Upon completion of the purchase:
- The petty cash voucher is updated with the correct information on the items purchased and the amount actually spent.
- The amount spent is deducted from the amount advanced and the Custodian signs that the change has been returned to the fund.
- The purchaser signs for reimbursement of any approved additional amount that has been made beyond the advance when the money is received and the Custodian initials that the new amount has been disbursed.

3.06 When a Petty Cash fund may NOT be used

Examples of personal expenses that normally will not be paid or reimbursed by the District include, but are not limited to:

- Transactions over \$75 (the splitting of one transaction over \$75 into 2 or more parts is not permitted)
- Frequent purchases made for the same materials to the same vendor (a blanket purchase order shall be used)
- Flowers for employees or other persons
- Greeting cards
- Food items not related to business meals
- Mileage expenses
- Tuition reimbursements

Policy Title: Petty Cash Fund

Policy : Accounting Policies And Procedures Manual

- Personal loans, advances or IOU's
- Check-cashing service
- Employee or non-employee compensation for services rendered

3.07 Replenishing a Petty Cash Fund

To replenish a petty cash fund, the Custodian shall prepare a Request for Replenishment of Petty Cash (or equivalent Finance approved form) listing this information:

- Each completed petty cash voucher (date, payee and amount)
- Account numbers to be charged
- Amount of money requested (which will equal the receipts plus or minus adjustments)
- Amount of cash on hand
- Total of fund, which should equal the cash on hand, the amount of the petty cash vouchers including receipts, any replenishment requests in process and other adjustments
- Signatures of the Custodian and Finance Director.

Note: Tailoring, alterations and sewing of uniform items are not considered to be a petty cash purchase. Uniforms are planned expenditures and receipts or P.O.s must be established to cover these expenses.

3.08 Establishing, Increasing, or Decreasing a Petty Cash Fund

To establish, increase or decrease a petty cash fund the following procedures shall be followed:

- Send a request for opening a petty cash fund approved by the Department Head and City Manager to the Director of Finance. Include the name of the Custodian and the Alternate Custodian. Explain why the petty cash fund is necessary and the maximum amount requested for the fund. If approved, a check will be prepared to start the petty cash fund.
- Send a request for increasing or decreasing a petty cash fund approved by the Department Head and City Manager to the Director of Finance. Include the reasons for the increase or decrease. If the fund is to be decreased, excess funds

Policy Title: Petty Cash Fund

Policy : Accounting Policies And Procedures Manual

will be deposited in the bank. If the increase is approved, a check will be prepared to increase the petty cash fund.

- It is anticipated that one (1) petty cash fund will be used.

3.09 Terminating a Petty Cash Fund

To terminate a petty cash fund the following procedures shall be followed:

- Ensure all cash advances for purchases have been completed and reimbursed as appropriate.
- Prepare the final reconciliation of the petty cash fund and balance the fund.
- All discrepancies from the total amount of the petty cash fund must be explained in detail. All overages or shortages must be identified and discrepancies reported to the Finance Director and listed on the final replenishment request.
- Prepare a memorandum to the City Manager indicating that the fund is being closed out.

City of California City

Petty Cash

Reimbursement Request

[illegible]

I certify that the above is correct accounting of expenses incurred in the conduct of official City business.

Date	Submitted By	Date	Supervisor Approval
------	--------------	------	---------------------

Date	Finance Approval
------	------------------

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

4.00 Purpose and Background

The City of California City strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of the City that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the vendor invoice for the related goods or services.

The Accounts Payable Section of the Finance Department of the City supports all City department needs by providing a timely and efficient manner to process payments in compliance with policies and procedures.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized.
2. All the required documentation is included
3. Invoices are processed in a timely manner.
4. Vendor credit terms and operating cash are managed for maximum benefits.

4.01 Procedures

- Accounts payable are processed on a daily basis. Information is entered into the Caselle system from approved invoices and the respective attached supporting documentation.
- New Vendor- It is necessary to set up a new vendor before entering a requisition into the Purchasing Caselle Module System, each City department must request the vendor to complete and mail in Internal Revenue Service (IRS) Form W-9. When the Department receives this form, the accounts payable staff person will enter the new vendor information into the accounting software. The Department will be able to create a requisition for a purchase order (PO) only after the vendor is set up in the system. The same process described above applies for individuals, companies and corporations.
- The IRS requires the City to obtain an individual's correct taxpayer's identification number or social security number (individuals) and certification that

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

the payee is not subject to backup withholding. To protect the City and to meet requirements for the IRS, individuals must complete the IRS W-9 to verify their information. This also would apply to individuals who receive payments for such items as: consulting fees, sale of goods, and other personal services. This list is not inclusive.

- Invoices- It is the policy of the City that only original invoices will be processed for payment unless duplicate copies have been verified as unpaid by researching the vendor records. Vendor statements should normally not be processed for payment.
 - a. If an original invoice is not provided, then a written explanation signed by a supervisor shall be required prior to payment.
 - b. If the invoice received does not have a PO, the account payable staff person will send the original invoice to the respective department for them to process the requisition. However, all purchases (except those meeting the exemption requirement) should first obtain a purchase order and should be processed through the Caselle requisition system.
 - c. Each department is responsible for verification of invoices for payment including the following items:
 - i. *Comparison of quantity billed on the invoice with quantities listed on the purchase order or shown on the receiving documents.*
 - ii. *Comparison of prices, discounts, and terms with those specified on the purchase order.*
 - iii. *Proof of clerical accuracy of the invoice with respect to extensions, mathematical accuracy and deductions for discounts.*

4.02 Preparation of an Accounts Payable Package (A/P package)

The vendor invoices should be reviewed and approved by a department director prior to being processed for payment.

All requests for payment to be submitted to finance shall include an A/P package. Each A/P package shall contain the following documents:

- a. Original invoice
 - i. *If original invoice is not available (this should be the exception) a written explanation signed by supervisor is required.*
- b. Packing Slip (where appropriate)

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

c. Purchase Order

i. All purchases (except those meeting the exemption requirement) require prior requisition through Caselle purchase order system.

- d. For travel reimbursement request – a travel authorization form shall be signed by both the employee and the department director.
- e. For credit card payments – signature of cardholder and director should be on the statement.
- f. Any other supporting documentation deemed appropriate.

All A/P packages must be approved by the department director. The approval indicates their acknowledgment of satisfactory receipt of those goods or services, agreement with all terms appearing on the vendor invoice, agreement with ledger account coding, and agreement to pay vendor in full.

4.03 Recording and Processing of Accounts Payable.

Information is entered into the system from approved and complete A/P packages. All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

All payment requests that are received, approved, and supported with proper documentation by Tuesday at noon shall be recorded as accounts payable for the week and will be paid on Friday of the same week.

- a. City departments should obtain their purchase order in a timely manner in order to reduce the number of last minute “emergency” requests.

The following procedures shall be applied to each A/P package by the accounts payable staff person:

- a. Invoices and related general ledger account distribution codes are reviewed prior to posting to the accounting software.
- b. Check the mathematical accuracy of the vendor invoice.
- c. Compare the nature, quantity and prices of items ordered per the vendor invoice to the packing slip and receiving report if one is provided.
- d. Review the general ledger distribution (charged accounts).
- e. The Finance copy of the PO will be pulled out.
- f. Post all PO's requested for payment into the accounting software.

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

- g. All A/P packages selected for payment shall be reviewed and approved by the Finance Director.
- h. The accounts payable report is matched to the check run.
- i. Print accounts payable checks on Thursday one week prior to the next city council meeting.
- j. After the accounts payable checks are processed the accounts payable run is posted to the accounts payable module in the City's financial system. The charges automatically post and are reflected in the general ledger.
- k. Checks will be mailed the next business day after city council approval of check warrant register with the exception of those that the department request to hold.
- l. Checks copies will be attached to the A/P packages and all invoices included in the A/P package will be stamped "PAID". These completed A/P packages will then be filed.

The check register report or "Warrant Register" generated must be signed by the Finance Director.

4.04 Payment Discounts

To the extent practical, it is the policy of the City to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payment(s) will be scheduled so as to take full advantage of the discounts.

4.05 Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see travel policy). All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. This form must be signed by both the director and the employee.

4.06 Manual Checks

In extremely rare situations a manual check may be written. To obtain a manual check requires the approval of the City Manager or Director of Finance.

Policy Title: Accounts Payable and Procedures
Policy : Accounting Policies and Procedures Manual

4.07 Void Checks

There are times when a check would need to be “voided” out of the system. In order for this process to occur a Void Check Authorization Form must be filled out and approved by the Director of Finance. The following information must be obtained:

- a. Check number
- b. Amount
- c. Date
- d. Payee
- e. Reason for void
- f. Stop payment required
- g. Check being reissued

Once approval from the Director of Finance is obtained, the void check process is posted in the financial system. A copy of the void check authorization form is given to the Accounts Payable staff person indicating the posting date on the void authorization form. Another copy is placed in that month’s bank reconciliation binder.

At the end of the void check process, the following reports are reviewed and filed in the void check file within the bank reconciliation binder by the Accounts Payable staff Person (copy of void check authorization form, copy of accounts payable check, void check proof list).

4.08 Summary

This policy is in place to provide guidelines for the proper processing of accounts payable in a manner that will safeguard the assets of the City.

Policy Title: City Credit Card Use
Policy : Accounting Policies and Procedures

5.00 Purpose

The purpose of this policy is to establish clear guidelines and procedures for use of credit (charge) cards.

5.01 Policy

This policy applies to all City employees and city council members who have been authorized to use City credit cards and who are authorized in the future.

5.02 General Provisions

5.02.01 Prudent Person Rule- Expenses incurred on the City of California City credit cards should be consistent with the employee's job responsibility and the needs of the City and the resources budgeted. An employee is expected to exercise reasonable judgment, diligence, prudence, and care while incurring business expenses on a City credit card. City credit cards shall not be used for the convenience of the cardholder.

5.02.02 The City credit card shall be used for official City business only.

5.02.03 An authorized user may use the City credit card for limited business-related expenses provided the purchase is made within the City of California City Purchasing Policy guidelines.

5.02.04 When a City Council member or an employee travels on City business, he or she will use the city credit card to settle hotel, meal or transportation charges during business travel.

5.02.05 City credit cards shall not be used to pay for regular or recurring purchases unless such action results in a discounted payment. These purchases should be secured by a Contract, Purchase Order or a Request for Payment.

5.02.06 Employees must have prior written authorization from their Department Head to use a city credit card (see "Credit Card Request Form").

Policy Title: City Credit Card Use
Policy : Accounting Policies and Procedures

5.03 Administrative Responsibility

- 5.03.01** The Finance Department is responsible for monitoring City credit card use. A three-day advance notice is recommended to process a request for a City credit card.
- 5.03.02** With appropriate authorization and Department Head approval, credit cards may be “checked out” at the Finance Department. Use of Credit Card Request Form is required. Check-out procedure requires acknowledgement of credit card policy and employee signature.
- 5.03.03** When using a City credit card, the employee or City Council member must sign his/her name on the credit card voucher, not “City of California City”.
- 5.03.04** Under no circumstances shall a cardholder split a transaction (separate a single purchase into numerous transactions).
- 5.03.05** Until the City credit card is checked in with the Finance Department, the employee is responsible for all charges made on the card.
- 5.03.06** Within five (5) business days of employee’s purchase or return to work after business travel, the City credit card, accompanied by a travel “claim form” approved by the Department Head, and all credit card purchase receipts, must be returned to the Finance Department and checked-in.
- 5.03.07** In the event receipts are lost or destroyed, the City credit cardholder shall submit a memorandum in lieu of the receipt to their Department Head describing the purpose of the expenditures. This memorandum must be included with the “claim form”, but does not guarantee approval.
- 5.03.08** Lost or stolen credit cards must be reported immediately to the Finance Department and to the card issuer using their 24-hour telephone number. A lost or stolen credit card must be reported to 1-800-344-5696.
- 5.03.09** In the event a cardholder leaves City service, the cardholder will submit, in writing to their Department Head, a final reconciliation or statement of outstanding credit card purchases prior to leaving City service. The Department

Policy Title: City Credit Card Use
Policy : Accounting Policies and Procedures

Head will contact the Finance Department for a recent list of transactions for use in final reconciliation.

5.03.10 The employee is advised and acknowledges understanding that inappropriate use of the credit card will lead to disciplinary action, up to and including possible immediate termination.

5.03.11 The employee shall not circumvent the credit card policy by using own personal credit card then request reimbursement from the City unless authorized by his/her supervisor prior to purchase (i.e. hotel, meals, transportation while on business travel).

5.03.12 Purchases made from employee's own personal credit card as allowed by credit card policy will be reimbursed from our accounts payable processing procedures. Employee must complete a justification form and attach to reimbursement claim form.

5.03.13 A credit card will be issued to fire, police and public works departments. Both departments agree to comply with all sections as stated in this credit card policy.

Policy Title: Fixed Assets Capitalization And Control Policy
Policy : Accounting Policies and Procedures Manual

6.00 Purpose and Background

The purpose of this policy is to ensure adequate control and appropriate use of City fixed assets. The procedures are intended to define fixed assets and to establish guidelines for budgeting, financial reporting, logging, inventorying, transferring, depreciating, and disposing of fixed assets.

6.01 Policy

It is the policy of the City of California City that fixed assets be used for appropriate City purposes and be properly accounted for. It is the responsibility of the Finance Department to ensure fixed assets will be inventoried on a periodic basis, and accounted for by fund and asset category. It is the responsibility of the Department Heads to ensure that proper budgeting and purchasing guidelines are followed and that fixed assets are adequately secured.

6.02 Objectives

The City of California City's fixed asset policy has two (2) objectives:

1. Accounting and Financial Reporting- To accurately account for and report fixed assets to the City Council, external reporting agencies, granting agencies, and the public.
2. Safeguarding- To protect its fixed assets from loss or theft.

The Finance Department is responsible for, and has established, systems and procedures through which both objectives are met. The system and procedures are used to identify, process, control, track, and report City fixed assets.

6.03 Procedures

6.03.01 Capitalization Policy (Accounting and Financial Reporting)

In general, all fixed assets, including land, building, machinery and equipment, with an acquisition cost of \$5,000 or more and a life of 5 years, will be subject to accounting and reporting (capitalization). All costs associated with the purchase or construction should be considered, including ancillary costs such as freight and transportation charges, site preparation expenditures, installation charges,

Policy Title: Fixed Assets Capitalization And Control Policy
Policy : Accounting Policies and Procedures Manual

professional fees, and legal costs directly attributable to asset acquisition. Specific capitalization requirements are described below.

- 6.03.02** The capitalization threshold is applied to individual units of fixed assets. For example, ten desks purchased through a single purchase order each costing \$1,000 will not qualify for capitalization even though the total cost of \$10,000 exceeds the threshold of \$5,000.
- 6.03.03** The capitalization threshold is applied to individual units of fixed assets. For example, a tractor purchased with several attachments will not be evaluated individually against the capitalization threshold. The entire equipment with components will be treated as a single fixed asset.
- 6.03.04** Repair is an expense that keeps the property in good working condition. The cost of the repair does not add to the value or prolong the life of the asset. All repair expenditures are charged to the appropriate department fund.
- 6.03.05** Software programs will be regarded as fixed assets subject to capitalization and the cost will be amortized over a useful life of 5 years. Costs associated with software maintenance and customer support are considered expenditures and will not be capitalized.
- 6.03.06** Improvements to existing fixed assets will be presumed to extend the useful life of the related fixed asset and, therefore, will be subject to capitalization only if the cost of improvement meets the \$5,000 threshold.
- 6.03.07** Capital projects will be capitalized as "construction in progress" until completed. Costs to be capitalized include direct costs, such as labor, materials, and transportation, indirect costs such as engineering and construction management, and ancillary costs such as construction period interest.
- 6.03.08** Additions and deletions to the fixed asset inventory records shall be made on a periodic basis. When fixed assets are sold or disposed of, the inventory of Fixed Assets should be relieved of the cost of the asset and the associated accumulated depreciation.
- 6.03.09** Department Heads will need to approve a Property Disposition report prior to transfer, auction or disposal of any fixed asset.

Policy Title: Fixed Assets Capitalization And Control Policy
Policy : Accounting Policies and Procedures Manual

6.04 Control Policy- (Safeguarding)

The Finance Department is responsible for establishing and maintaining systems and procedures to properly safeguard assets. However, Department Heads are responsible for protecting assets under their control from theft or loss. These assets are described as follows:

6.04.01 The acquisition of the fixed asset is equal to or greater than \$5,000.

6.04.02 An asset required to be controlled and separately reported pursuant to grant conditions and other operational or externally imposed. For example, a grant program that has funded the acquisition of a fixed asset may impose a requirement that the fixed asset be tracked and identified as a grant funded asset. The finance department shall be responsible for tracking the fixed asset as required by the grant program.

6.05 Depreciation

Depreciation is computed from the date the fixed asset is placed in service until the end of its useful life.

Depreciation method-straight line

Buildings	40 years
Improvements Other Than Buildings	30 years
Portable Shop Equipment	5 years
Field Equipment	5 years
Parks & Recreation Equipment	5 years
Safety Equipment	5 years
Heavy Mobile Equipment	15 years
Communication Equipment	5 years
Furniture & Fixtures	5 years
Computers	3 years
Computer Software	3 years
Vehicles	5 years
Trucks	5 years
Fire Fighting & Rescue Vehicles	15 years

Policy Title: Fixed Assets Capitalization And Control Policy
Policy : Accounting Policies and Procedures Manual

6.06 Disposal of Fixed Assets

6.06.01 The disposition of fixed assets shall be in accordance with city policy which states:
All fixed assets purchased in excess of \$5,000 and capitalized will be declared surplus and removed from the fixed assets accounting records.

6.06.02 Prior to declaring any fixed assets as surplus, staff shall obtain the approval of the city council.

6.07 Inventory

6.07.01 Inventory will be contained in locked storage areas, where possible, and access to inventory will be limited to necessary staff.

6.07.02 Procedure

Materials and supplies:

- Paper supplies are recorded as expenses when purchased. Parts and materials for water, sewer, transit, streets, facilities, and parks are recorded as supplies expense.
- We have a locked storage area for pens, pencils, clips etc. When an item gets to the last box, we have a written list to inform the administrative assistant to reorder.
- All city employees are required to fill-out the inventory issue report whenever office supplies are taken from the office supply room. Such information will include inventory #, date received, fund-account # to be charged, quantity, material issued, department to be charged, and employee's signature.

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

Sec. 7.00 Policy Statement

This policy is intended to provide guidelines for the prudent investment of the California City's (City) funds and outline the policies for maximizing the efficiency of the City's cash management system. The ultimate goal is to enhance the economic status of the City consistent with the prudent protection of the City's investments. This investment Policy has been prepared in conformance with all pertinent existing laws of the State of California including California Government Code Sections 53600, *et seq.*

Sec. 7.01 Scope

It is intended that this policy cover all funds and investment activities of the City. These funds are defined and detailed in the City's Annual Financial Statements and include any new funds created unless specifically excluded by City management and the City Council. The management of California City's bond issued proceeds is not included in this policy because they have unique investment objectives, time horizons, and legal requirements. Incorporated herein are **Appendices A and B**, "Description of Authorized Investments and Restrictions," and "Glossary of Cash Management Terms," respectively.

Sec. 7.02 Prudent Person Standard

The City operates its investment portfolio under the Prudent Investor Standard (California Government Code Section 53600.3) which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City."

Sec. 7.03 Investment Objectives

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing the City's funds, the primary objective is to safeguard the principal of the funds. The secondary objective is to meet the liquidity needs of the City. The third objective is to achieve a maximum return on invested funds. It is the policy of the City to invest public funds in a manner to obtain the highest yield obtainable with the maximum security while meeting the daily cash flow demands of the City as long as investments meet the criteria established by this policy for safety and liquidity and conform to all laws governing the investment of City funds.

7.03.01 Safety of Principal

Safety of principal is the foremost objective of the City. Each investment transaction shall

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

seek to first ensure that capital losses are avoided, whether they arise from securities defaults, institution default, broker-dealer default, or erosion of market value of securities. The City shall mitigate the risk to the principal of invested funds by limiting credit and interest rate risks. Credit Risk is the risk of loss due to the failure of a security's issuer or backer. Interest Rate risk is the risk that the market value of the City's portfolio will fall due to an increase in general interest rates.

A) Credit risk will be mitigated by:

- (1) Limiting investments to only the most creditworthy types of securities; and
- (2) Pre-qualifying a list of non-government issuers of securities with which the City will do business; and
- (3) Diversifying the investment portfolio so that the potential failure of any one issue or issuer will not place an undue financial burden on the City.
- (4) The City cannot invest any more than 5% maximum of the portfolio in any single issuer's bond debt, except U.S. Government, its agency or the State of California Local Agency Investment Fund and Kern County Investment Fund.

B) Interest rate risk will be mitigated by:

- (1) Structuring the City's portfolio so that securities mature to meet the City's cash requirements for ongoing obligations, thereby reducing the possible need to sell securities on the open market at a loss prior to their maturity to meet those requirements; and
- (2) Investing primarily in shorter-term securities as defined in "(b)" **Liquidity**.

7.03.02 Liquidity

Availability of sufficient cash to pay for current expenditures shall be maintained. An adequate percentage of the portfolio shall be maintained in liquid short-term securities, which can be converted to cash as necessary to meet disbursement requirements. Since cash requirements cannot always be anticipated, sufficient investments in securities with active secondary or resale markets shall be utilized. These securities will have a low sensitivity to market risk. The Local Agency Investment Fund (LAIF), Kern County Investment Fund (KCIF) and short-term money market securities shall also be used as liquid investments. The cash management system of the City shall be designed to accurately monitor and forecast expenditures and revenues to insure the investment of monies to the fullest extent possible.

7.03.03 Rates of Return

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

Yield on investments shall be considered only after the basic requirements of safety and liquidity have been met. The investment portfolio shall be designed to attain a market average rate of return throughout economic cycles, taking into account the City's risk constraints, the composition and cash flow characteristics of the portfolio, and applicable laws.

Sec. 7.04 Delegation of Authority

The City Council hereby delegates management authority and responsibility for implementing the investment policy to the City Treasurer and Finance Director, who shall establish written procedures for the operation of the investment program consistent with this investment policy and the requirements of applicable laws. Such procedures shall include explicit delegation (by the City Council) of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the City Council. The City Treasurer and Finance Director shall be responsible for all transactions undertaken by the City's staff, and shall establish a system of controls to regulate the activities of internal staff and any external investment advisors.

All participants in the investment process shall act, as custodians of the public trust and all investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. All investment related activity shall be done in conformance with this policy and all applicable State and Federal laws and regulations.

7.04.01 Investment Deposits/Withdrawals

Investments deposits and withdrawals will primarily be made by the City Treasurer. In his/her absence, the City Finance Director, then the City Manager, in turn, will be responsible for deposits and withdrawals.

Sec. 7.05 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officers shall disclose any financial interest in financial institutions that conduct business with the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales, and shall avoid transactions that might impair public confidence.

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

Sec. 7.06 Investment Advisory Committee

The City Council may consider establishing an Investment Advisory Committee that will be responsible for overseeing the investment of City funds.

Sec. 7.07 Authorized Financial Dealers and Institutions

The City Treasurer and Finance Director shall establish and maintain a list of the financial institutions and broker/dealers authorized to provide investment and depository services to the City, shall perform an annual review of the financial condition and registrations of the qualified institutions, and require annual audited financial statements to be on file for each approved institution. The City shall send annually, or as updated, a copy of its current Investment Policy to all financial institutions and broker/dealers approved to do business with the City. Receipt of the Investment Policy including confirmation that it has been received and reviewed by the person(s) handling the City's account, shall be acknowledged in writing within thirty (30) days.

7.07.01 Depositories

In selecting depositories, the creditworthiness of institutions shall be considered and the City Treasurer and Finance Director shall conduct a comprehensive review of prospective depositories' credit characteristics and financial history. Qualifications and minimum requirements for depositories shall be established by the City Treasurer and Finance Director, approved by the City Council and provided to any institution seeking to conduct business with the City. Banks and Savings and Loan Associations seeking to establish eligibility as a depository for the City's Collateralized Certificate of Deposits shall submit annually an audited financial statement, which shall be reviewed by the City Treasurer and Finance Director for compliance with the City's financial criteria.

Any institution meeting the City's required criteria will be eligible for placement of public deposits by the City, subject to approval by the City Treasurer and Finance Director. As deemed necessary by the City Treasurer and Finance Director, reviews of unaudited quarterly financial data for institutions on the City's approved list shall be made. Any institution falling below the City's established minimum criteria shall be removed from the approved list, no new deposits may be placed with that institution and all funds remaining shall be withdrawn as the deposits mature.

7.07.02 Brokers and Dealers

All brokers and dealers that desire to become qualified bidders for investment transactions with the City must respond to a "Broker Dealer Questionnaire" and submit related documents relative to eligibility. This includes a current audited financial statement, proof of state registration, proof of NASD registration and a certification they have received and reviewed the City's Investment Policy and agree to comply with the provisions outlined in the Investment Policy. The City Treasurer and Finance Director may establish any additional

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

criteria deemed appropriate to evaluate and approve any financial services provider. The selection process for broker dealers shall be open to both "primary dealers" and "secondary/regional dealers" that qualify under Securities and Exchange Commission Rule 15c3-1 (Uniform Net Capital Rule). The provider must be experienced in institutional trading practices and be familiar with the California Government Code as it relates to investments by a public entity.

Sec. 7.08 Authorized and Suitable Investments

The City is provided a broad spectrum of eligible investments under California Government Code Sections 53600 - 53609 (authorized investments), 53630 - 53686 (deposits and collateral) and 16429.1 (Local City Investment Fund). The City may choose to restrict its permitted investments to a smaller list of securities that more closely fits the City's cash flow needs and requirements for liquidity. If a type of investment is added to the Government Code list, it shall not be added to the City's Authorized Investment List until this policy is amended and approved by the City Council. If a type of investment permitted by the City should be removed from the Government Code list, it shall be deemed concurrently removed from the City's Authorized Investment List, but existing holdings may be held until they mature.

Within the context of these California Government Code (CGC) limitations, the following investments are authorized:

See Appendix A

CGC Section	Investment Type	ALLOWED BY STATUTE			AUTHORIZED BY CALIFORNIA CITY		
		Maximum Maturity	Authorized Limit (%)	Required Rating	Maximum Maturity	Authorized Limit (%)	Minimum Required Rating
53601(a)	Local City Bonds	5 Years	None	None	5 Years	50%	AA
53601(b)	U.S. Treasury Obligations	5 Years	None	None	5 Years	100%	N/A
53601(c)	State of California Obligations	5 Years	100%	None	5 Years	100%	AA
53601(d)	California Local City Obligations	5 Years	None	None	5 Years	50%	AA
53601(e)	U.S. Agencies	5 Years	None	None	5 Years	100%	AAA
53601(f)	Bankers' Acceptances	180 Days	40%/30%	None	180 Days	40%	A
53601(g)	Commercial Paper	270 Days	25% or 10%	A1/P1/F1	270 Days	25%	AA
53601(h)	Negotiable Certificates of Deposit	5 Years	30%	None	5 Years	30%	N/A
53601(i)	Repurchase Agreements	1 year	None	Various	1 Year	20%	None
53601(j)	Reverse Repurchase Agreements	92 days	20% of base	A	92 Days	20% of Base	A
53601(k)	Medium-Term Notes	5 Years	30%	A or > ⁽¹⁾	5 Years	30%	A or >
53601(l)	Money Market Mutual Funds	N/A	20%	1	N/A	20%	N/A
53601(m)	Collateralized Bank Deposits	5 Years	None	AA	5 Years	20%	AA
53601(n)	Mortgage Pass-Through Securities	5 Years	20%	None	2 Years	20%	None
53651	Time Deposits	5 Years	None	None	2 Years	20%	N/A
16429.1	Local Agency Investment Fund (LAIF)	N/A	None	None	N/A	No Limit ⁽²⁾	N/A
	County Pooled Investment Funds						
53684	Non-Negotiable Certificates of Deposit	N/A	None	None	N/A	30%	N/A
(3)		5 Years	100%	None	1 Year	20%	None

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

- (1) Highest ranking by 2 of 3 of the nationally recognized rating agencies, and retain an investment advisor who is registered with the SEC and has at least 5 years' experience investing in securities authorized in Section 53601 and 53635 with assets in excess of \$500 million.
- (2) LAIF currently allows a maximum of \$40 million per account.
- (3) For non-negotiable certificates of deposit, bank deposits, and time deposits that exceed the insured maximum of \$100,000, approved collateral at the required percentage of market value will be obtained. (Government Code § 53651-53652).

The City of California City Portfolio at the time of investment will use a guideline of 5% limit per issuer. The exception will be U.S. Treasuries and U.S. Agencies.

Note: "Authorized Limits" refer to the percent of total amount of funds eligible for investment in a particular investment type.

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

One purpose of this Investment Policy is to define what investments are permitted. If a type of security is not specifically authorized by this policy, it is not a permitted investment. Additionally, City assets shall not be invested in instruments whose maturities exceed five (5) years from the time of purchase without the express approval of the City Council.

See **Appendix A** for a more detailed descriptions and additional restrictions, if any, of the authorized investments listed above.

Sec. 7.09 Competitive Bidding

It is the City's policy to transact all U. S. Treasury securities purchases and sales through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers. The City will accept the offer, which provides (a) the highest rate of return and (b) optimizes the investment objectives of the overall portfolio. The purchase of securities other than U.S. Treasuries (corporate notes, agencies, mortgage-backed securities, etc.) will be executed differently. This is due to the lack of homogeneity among these products and their availability (or unavailability) in dealer inventories. Because of the individualized nature of these securities, it is generally not possible to get more than one offer on the same instrument. Therefore, when purchasing non-Treasury securities, the Investment Officer shall make a subjective evaluation regarding the relative attractiveness of various offers, taking into account maturity, credit ratings, structure and other factors that influence pricing. When selling a security, the City will select the bid that generates the highest sale price. It will be the responsibility of the personnel involved in each transaction to produce and retain written records, including the name of the financial institutions solicited, price/rate quoted, general description of the security, bid/offer selected, and any consideration that had an impact on the decision.

Sec. 7.10 Master Repurchase Agreement

The City may invest (Government Code Section 53601 (i) in overnight and term repurchase agreements with Primary Dealers of the Federal Reserve Bank of New York rated "A" or better by Moody's Investors Service or Standard & Poor's Corporation with which the City has entered into a Master Repurchase Agreement. This agreement will be modeled after the Public Securities Associations Master Repurchase Agreement.

All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party shall have an account in the name of the City of California City. The market value of securities used as collateral for repurchase agreements shall be monitored on a daily basis and shall not be permitted to fall below a minimum of 102% of the value of the repurchase agreement. Collateral shall not have maturities in excess of five (5) years. The right of substitution shall be granted, provided that permissible collateral is maintained.

In order to conform with the provisions of the Federal Bankruptcy Code that provides for the liquidation of securities held as collateral for repurchase agreements, the only securities deemed

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

acceptable as collateral shall be securities that are direct obligations of and guaranteed by the U.S. Government, U.S. Government Agencies or Government.

Sec. 7.11 Investment Pools

An investigation of any investment pool or money market mutual fund is required prior to investing and is to be performed on an ongoing basis. The investigation shall, at a minimum, obtain the following information:

- A description of interest calculations and how it is distributed, and how gains and losses are distributed.
- A description of how securities are safeguarded (including the settlement process) and how often the securities are "marked to market" and how often an audit is conducted.
- A description of who may invest in the program, how often, what size deposits and withdrawals are permitted.
- A schedule for receiving statements and portfolio listings.
- Does the pool/fund maintain a reserve or retain earnings or is all income after expenses distributed to participants?
- A fee schedule, which also discloses when and how fees are assessed.
- Determining if the pool or fund is eligible for bond proceeds and/or will it accept such proceeds.

The purpose of this investigation is to determine the suitability of a pool or fund in relation to the City's investment policy and evaluate the risk of placing funds with that pool or fund.

Sec. 7.12 Collateralization

Uninsured Time Deposits with banks and savings and loans shall be collateralized and monitored in the manner prescribed by state law for depositories accepting investment funds from public governmental entities.

Repurchase Agreements shall be collateralized in accordance with terms specified in the Master Repurchase Agreement. The valuation of collateral securing a Repurchase Agreement shall be verified and monitored on a daily basis to insure a minimum of 102% of the value of the transaction being held by the City's depository agent. All collateral used to secure this type of transaction is to be delivered to a third party prior to release of funds. The third party shall have

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

an account in the name of the City of California City.

. Sec. 7.13 Safekeeping and Custody

All securities owned by the City shall be held in safekeeping by a third party bank trust department acting as agent for the City under the terms of a custody agreement executed by the bank and the City. **All securities shall be received and delivered using standard delivery versus payment (DVP) procedures.** The third party bank trustee agreement must comply with Section 53608 of the California Government Code. No outside broker/dealer or advisor may have access to City funds; accounts or investments and any transfer of funds must be approved by the City Treasurer and Finance Director or his designee.

Sec. 7.14 Diversification and Risk

The City recognizes that investment risks could result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. To minimize the City's exposure to these types of risk, the portfolio should be diversified among several types of institutions, instruments and maturities. The City Treasurer and Finance Director shall minimize default risk by prudently selecting only instruments and institutions which at the time of placement have been evaluated for their financial viability and compliance with this policy. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. Risk shall also be managed by subscribing to a portfolio management philosophy that helps to control market and interest rate risk by matching investments with cash flow requirements. In the event of a default by a specific issuer, the City Treasurer and Finance Director shall evaluate the liquidation of securities having comparable credit risks. Diversification strategies shall be established and reviewed quarterly by the City Treasurer and Finance Director.

Sec. 7.15 Maximum Maturities

Every effort will be made to match investment maturities to cash flow needs. Matching maturities with cash flow dates will reduce the need to sell securities prior to maturity, thus reducing market risk. Unless matched to a specific requirement and approved by the City Council, no investment may be made with maturity greater than five (5) years. The weighted average final maturity of the City's portfolio shall at no time exceed two (2) years.

Sec. 7.16 Internal Control and Review

This Investment Policy shall be reviewed periodically by the City Treasurer and Finance Director as necessary and any recommended revisions shall be submitted as needed to the City Council in order to insure consistency and its relevance to current law, and financial and

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

economic trends. The City Treasurer and Finance Director shall also submit this Investment Policy to the City Council for its review during the first quarter of each fiscal year.

In conjunction with the annual financial statement audit, the external auditors shall review the investments and general activities associated with the investment program to evaluate compliance with this Investment Policy.

Sec. 7.17 Performance Benchmark

California City investment strategy is (active). Given this strategy, the basis used by the Treasurer to determine whether market yields are being achieved shall be a 6-month US Treasury Bill.

Sec. 7.18 Reporting

The City Treasurer and Finance Director shall submit a quarterly investment report (Treasurer's Report) to the City Council. The report shall be submitted within 30 days of the end of each calendar quarter (unless a more frequent reporting period is chosen) and shall include information about the investment of all funds in the custody of the City. This report shall include all items listed in Section 53646(b) of the Government Code.

These reports will also include the following information about the investments of all funds:

7.18.01 Investment Report

- A. List of individual investments by type and issuer held at the end of reporting period.
- B. Dollar weighted yield to maturity of the City's investments.
- C. Maturity schedule by type, of each of the City's investments.
- D. Statement of compliance of the portfolio to the City's adopted Investment Policy or manner in which the portfolio is not in compliance.
- E. Quarterly statement denoting the ability to meet the City's scheduled expenditure requirements for the next three months.
- F. Market value, book value and par value of all investments.
- G. Rates of interest on investments and accrued interest earned on the portfolio.
- H. Quarterly Summary of the prevailing economic indicators and likely economic conditions for the next 90 days.
- I. Likely investments to be acquired during the next 90 days.

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

Sec. 7.19 Investment Policy Adoption

The Investment Policy Guidelines of the City of California City shall be adopted by resolution of the City's legislative authority. The policy shall be reviewed at the beginning of each fiscal year, in July, by the City Council and any modifications made thereto must be approved by the City Council.

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

Appendix - A
Description of Authorized Investments and Restrictions

The following descriptions of authorized investments are included here to assist in the administration of this policy.

Local Agency Investment Fund (LAIF)

The Local Agency Investment Fund (LAIF) is a special fund in the California State Treasury created and governed pursuant to Government Code Sections 16429.1 *et seq.* This law permits the City, with the consent of the City Council, to remit money not required for the City's immediate need to the State Treasurer for deposit in this special fund for the *purpose* of investment. LAIF currently limits investments to \$40 million from any one City. Principal may be withdrawn on one day's notice. The fees charged by LAIF are limited by Statute. (Legal Authority - Government Code Section 16429.1)

County Pooled Investment Funds

The County Pooled Investment Fund is a special fund authorized by Government Code Section 53684 that allows investment in investment pools run by different counties within California. This law permits the City, with the consent of the City Council, to remit money not required for the City's immediate need to county run investment pools for deposit in this special fund for the *purpose* of investment.

Securities of the U.S. Government including U.S. Government Agencies and Instrumentalities

These obligations can be classified either as "Treasuries" or "Agencies" (Legal Authority- Government Code Sections 53601(b) and 53635 (b)). Treasury securities are obligations of the United States Treasury backed by the "full faith and credit" of the Federal government and can be of three types: bills, notes, and bonds. There is no percentage limitation on the funds that can be invested in this category, however a five-year maturity limitation is applicable.

The City can invest in obligations issued by Federal Government agencies and Government Sponsored Enterprises (U.S. Instrumentalities) such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FI-ILMC). Such securities are obligations of the agencies themselves, but there is also an implied guarantee by the United States Government. All such obligations qualify as legal instruments and are acceptable as security for City deposits. (Legal Authority - Government Code Sections 53601 (e))

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

Registered State Warrants or Treasury Notes or Bonds of the State of California

These include bonds payable solely out *of* the revenues from a revenue-producing property owned, controlled, or operated *by* the state or *by* a department, board, City, or authority *of* the state. (Legal Authority - Government Code Sections 53601 (c))

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

Bonds, Notes, Warrants, or Other Evidences of Indebtedness of Any Local City within the State of California

These include bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a California local City, or by a department, board, City or authority of such a local City. (Legal Government Code Sections 53601 (d))

Bankers Acceptance

The City may invest in Bankers Acceptances limited to banks rated a minimum of "A" by Moody's Investors Service and Standard & Poor's Corporation. The maximum investment maturity will be restricted to 180 days as per Government Code Section 53601(f). Maximum portfolio exposure will be limited to 40 percent. (Legal Authority-Government Code Sections 53601 (b))

Commercial Paper

Prime Commercial Paper with a maturity not exceeding 270 days from the date of purchase with the highest ranking or of the highest letter and numerical rating as provided for by the nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either A or B below:

- A. The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of five hundred million dollars (\$500,000,000) and (3) have debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.
- B. The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letter of credit or surety bonds and (3) have commercial paper that is rated "A-I" or higher, or the equivalent, by a NRSRO.

The City's aggregate investment in commercial paper shall not exceed 25% of the City's total portfolio. (Legal Authority - Government Code Sections 53601 (g))

Negotiable Certificates of Deposit

Investments are limited to deposits issued by a nationally or state-chartered bank or a state or federal association (Government Code Section 53601(h)) with a minimum rating of "AA" as assigned by Moody's Investors Service and Standard and Poor's Corporation. Negotiable Certificates of Deposit shall not exceed 30 percent of the City's surplus money, which may be invested pursuant to this policy. As per section 53638 of the California Government Code,

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

any deposit shall not exceed the total paid-up capital and surplus *of* any depository bank, nor shall the deposit exceed the total net worth *of* any institution. Maximum investment maturity is restricted to one year. Investments in Negotiable Certificates of Deposit prohibited by Government Code Section 53635 (h) shall *not* be made. (Legal Authority Government Code Section 53601 (h))

Time Certificates of Deposit

The City may invest in collateralized certificates *of* deposits issued by a state or nationally chartered bank, a state or federal association or a state or federal credit union (Government Code Sections 53601(h)). A written depository contract is required with all institutions that hold City deposits. Securities placed in a collateral pool must provide coverage for at least 110 percent *of* all deposits that are placed in the institution. Acceptable pooled collateral is governed by California Government Code Section 53651. Real estate mortgages are not considered acceptable collateral by the City, even though they are permitted in Government Code Section 53651(m). All banks are required to provide the City with a regular statement *of* pooled collateral. This report will state that they are meeting the 110 percent collateral rule (Government Code Section 53652(a)), a listing *of* all collateral with location and market value, plus an accountability *of* the total amount *of* deposits secured by the pool.

City funds shall be invested only in commercial banks and savings and loans rated "A" or better by Moody's or Standard and Poor's.

In the event that a bank does not meet the minimum ratings, a tri-party collateral arrangement may be substituted in lieu *of* a rating lower than "A". The third party institution must be acceptable to the City and have an account in the name *of* the City of California City. The market value *of* the collateral in the account must not fall below 110 percent *of* the value *of* the deposit(s) at any time. The securities in the account must conform to Government Code Section 53651 with the exception that real estate mortgages are not acceptable collateral. The City will maintain a first perfected security interest in the securities pledged against the deposit and shall have a contractual right to liquidation *of* pledged securities upon the bankruptcy, insolvency or other default *of* the counter party.

Deposits *of* up to \$100,000 are allowable in any institution that insures its deposits with the Federal Deposit Insurance Corporation, regardless *of* Moody's Investors Service or Standard and Poor's Corporation ratings. As per section 53638 *of* the California Government Code, any deposit shall not exceed the total paid-up capital and surplus *of* any depository bank, nor shall the deposit exceed the total net worth *of* any institution.

Maximum maturity is restricted to two (2) years. (Legal Authority - Government Code Sections 53651)

Repurchase Agreements

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

A Repurchase Agreement is the purchase of a security pursuant to an agreement by which the counterparty will deliver the underlying security by book entry, physical delivery or by a third party custodial agreement. Repurchase Agreements shall have a maximum maturity of one year and shall not exceed 20 percent of the City's funds. The collateralization level for Repurchase Agreements shall be a minimum of 102 percent of the market value of the principal and accrued interest. The right of substitution will be granted provided that permissible collateral is maintained. In order to conform with the provisions of the Federal Bankruptcy Code that provides for the liquidation of securities held collateral for Repurchase Agreements, the only securities acceptable as collateral shall be securities that are direct obligations of and guaranteed by the United States Government, its Agencies or U.S. Instrumentalities with a maximum maturity of five (5) years. The City shall maintain a first perfected security interest in the securities subject to the Repurchase Agreement and shall have a contractual right to the liquidation of purchased securities upon the bankruptcy, insolvency or other default of the counter party. Repurchase Agreements may only be made with banks and primary dealers with which the City has entered into a Master Repurchase Agreement modeled after the Public Securities Associations' Master Repurchase Agreement. In all other respects, Repurchase Agreements shall conform to the restrictions set forth in Government Code Sections 53601 (i). (Legal Authority - Government Code Sections 53601 (i))

Medium Term Notes

Medium-term notes are obligations of a domestic corporation or depository institution having a rating of "A" or better by a nationally recognized rating service. Purchase of medium-term notes shall not have maturity in excess of five (5) years. (Legal Authority-Government Code Sections 53601(j))

Money Market Mutual Funds

Mutual funds qualifying for City investment must restrict their portfolios to issues approved by the same state investment statute that defines investment alternatives for cities. Additionally these mutual funds must adhere to Federal statutes regarding the size of the mutual fund and its safety, must attain the highest ranking of two of the three largest rating services and must retain an investment advisor registered with the Securities and Exchange Commission with not less than five (5) year's experience investing assets of at least five hundred million dollars (\$500,000,000). The mutual funds must invest solely in investments, which the City itself could legally purchase. Investments in mutual funds shall not exceed 20 percent of the City's surplus fund. (Legal Authority-Government Code Section 53601(k))

Passbook Deposits

As authorized by Government Code Section 53637.

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

Appendix B
Glossary of Cash Management Terms

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Arbitrage - Transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a yield difference in the two markets.

Asked Price - The price a broker dealer offers to sell securities.

Average Life - The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund features is expected to be outstanding.

Bankers Acceptance - A high quality, short-term money market instrument used to finance international trade. There has never been an instance of a failure to pay a banker's acceptance in full at its maturity date.

Basis Point - One basis point is one hundredth of one percent (.01).

Bid Price - The price a broker dealer offers to purchase securities.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry - The system maintained by the Federal Reserve, by which most money market securities are delivered to an investor's custodial bank. The Federal Reserve maintains a computerized record of the ownership of these securities and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment).

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker - Someone who brings buyers and sellers together and is compensated for his/her service.

Callable Bond - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

Call Price - The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

Call Risk - The risk to a bondholder that a bond may be redeemed prior to maturity.

Cash Sale/Purchase - A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Certificate of Deposit - Commonly known as "CD's." A deposit of funds for a specified period of time that earns interest at a specified rate. Maturities range from a few weeks to several years. Interest rates are set by the competitive market place.

Collateral - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short-term, negotiable unsecured promissory notes of corporations.

Comprehensive Annual Financial Report (CAFR) - The official annual financial report for the City. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Convexity - A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

Coupon - The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custodian - A bank or other financial institution that keeps custody of stock certificates and other assets.

Defeased Bond Issue - Issues that have sufficient money to retire outstanding debt when due so that the City is released from the contracts and covenants in the bond document.

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Derivative - Securities that are based on, or derived from, some underlying asset, reference date, or index.

Discount - The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification - Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank, which guarantees deposits to a set limit (currently \$100,000) per account.

Federal Reserve System - The central bank of the U.S. which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Government Accounting Standards Board (GASB) - A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

Guaranteed Investment Contracts (GICS) - An agreement acknowledging receipt of funds, for deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

Inactive Deposits (Idle Funds) - Funds not immediately needed for disbursement.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Interest Rate Risk - The risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value.

Inverted Yield Curve - A chart formation that illustrates long-term securities having lower yields than short-term securities. This configuration usually occurs during periods of high inflation coupled with low levels of confidence in the economy and a restrictive monetary policy.

Investment Agreements - An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Investment Company Act of 1940 - Federal legislation which sets the standards by which investment companies such as mutual funds are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment-grade Obligations - An investment instrument suitable for purchase by institutional investors under the independent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating City.

Lehman 1 - 3 Year Government Index - Represents all U.S. Treasury securities with maturities ranging from 1-3 years.

Liquidity - An asset that can easily and rapidly be converted into cash without significant loss of value.

Local Agency - county, city, city and county, including a chartered city or county, a community college district, or other public agency or corporation in this state.

Local City Investment Fund (LAIF) - A pooled investment vehicle for local agencies in California sponsored by the State of California and administered by the State Treasurer.

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

Local City Investment Pool - A pooled investment vehicle sponsored by a local City or a group of local agencies for use by other local agencies.

Mark-to-Market - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

Market Risk - The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value - Current market price of a security. The price at which a security is trading and could presumably be purchased or sold.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Modified Duration - A measure of exposure to market risk of a security or a portfolio. It is the percent change in the price of a security (portfolio) or a 100 basis point change in the securities' (portfolio's) yield.

Moody's - Moody's Investment Service, Inc. One of the three best-known rating agencies in the United States, the others being Standard and Poor's Corporation (S&P) and Fitch IBCA, Inc. (Fitch).

Money Market Mutual Fund - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

Mutual Funds - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations.
2. Disseminate timely and accurate information regarding the fund's holdings, performance, and management, and general investment policy.
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund.
4. Maintain the daily liquidity of the fund's shares.
5. Value their portfolios on a daily basis.
6. Have all individuals who sell SEC-registered products licensed with a self-regulating organization (SRO) such as the National Association of Securities Dealers (NASD).
7. Have an investment policy governed by a prospectus, which is updated and filed by

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

the SEC annually.

National Association of Securities Dealers (NASD) - A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

Net Asset Value - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets, which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below) $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

Negotiable Certificate of Deposit - A large denomination certificate of deposit, which can be sold in the open market prior to maturity.

New Issue - Term used when a security is originally "brought" to market.

Nominal Yield - The stated rate of interest that a bond pays its current owner, based on par value of the security. It is also known as the "coupon," "coupon rate," or "interest rate."

New Issue - Term used when a security is originally "brought" to market.

No Load Fund - A mutual fund, which does not levy a sales charge on the purchase of its shares.

Note - A written promise to pay a specified amount to a certain entity on demand or on a specified date.

Par Value - The amount of principal, which must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

Perfected Delivery - Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio - Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

Positive Yield Curve - A chart formation that illustrates short-term securities having lower yields than long-term securities.

Premium - The amount by which the price paid for a security exceeds the security's par value.

Primary Dealer - A group of government securities dealers that submit daily reports of market

Policy Title:	Annual Investment Policy
Policy Number:	Financial Management Policy 7

activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Prime Rate - A preferred interest rate charged by commercial banks to their most credit worthy customers. Many interest rates are keyed to this rate.

Principal - The face value or par value of a debt instrument, or the amount of capital invested in a given security.

Prospectus - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements also known as an "official statement".

Prudent Investor Standard aka as Prudent person Rule - A standard of conduct where a person acts with care, skill, prudence, and diligence when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing funds. The test of whether the standard is being met is if a prudent person acting in a similar situation would engage in similar conduct to ensure that investments safeguard principal and maintain liquidity.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction where the seller agrees to buy back from the buyer (City) the securities at an agreed upon price on demand or at a specified date.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (City) agrees to buy back from the buyer the securities at an agreed upon price on demand or at a specified date.

Risk - Degree of uncertainty of return on an asset.

Rule 2a-7 of the Investment Company Act - Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

Rule G-37 of the Securities Rulemaking Board - Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

Safekeeping - Holding *of* assets (e.g., securities) by a financial institution.

Safekeeping Service - Offers storage and protection *of* assets provided by an institution serving as an agent.

Sallie Mae - Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market - A market made for the purchase and sale *of* outstanding issues following the initial distribution.

Securities and Exchange Commission (SEC) - The federal City responsible for supervising and regulating the securities industry.

Settlement Date - The date on which a trade is cleared by delivery *of* securities against funds.

Serial Bond - A bond issue, usually *of* a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Sinking Fund - Money, accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Standard and Poor's Corporation (S&P) - One *of* the three best *known* rating agencies in the United States, the others being Moody's Investment Service, Inc. and Fitch IBCA, Inc. (Fitch).

Swap - Trading one asset for another.

Tax and Revenue Anticipation Notes (TRANS) - Notes issued in anticipation *of* receiving tax proceeds *or* other revenues at a future date.

Term Bond - Bonds comprising a large part or all of a particular issue, which come due in a single maturity. The issuer usually agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity.

Time Certificate of Deposit - A non-negotiable certificate of deposit, which cannot be sold prior to maturity.

Total Return - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return.

Policy Title: Annual Investment Policy
Policy Number: Financial Management Policy 7

Treasury Bills - U.S. Treasury Bills which are short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

Trustee or trust company or trust department of a bank - A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

Underwriter - A dealer which purchases a new issue of municipal securities for resale.

U.S. Government Agencies - Instruments issued by various U.S. Government Agencies most of which are secured only by the credit worthiness of the particular City.

U.S. Treasury Obligations - Debt obligations of the United States Government sold by the Treasury Department in the form of Bills, Notes, and Bonds. Bills are short-term obligations that mature in one year or less and are sold on the basis of a rate of discount. Notes are obligations, which mature between one (1) year and ten (10) years. Bonds are long-term obligations, which generally mature in ten (10) years or more.

Weighted Average Maturity (WAM) - The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve - A graphic representation that shows the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

Zero-coupon Securities - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

Policy Title: Payroll
Policy : Payroll Policies and Procedures

Personnel Requirements

8.00 Purpose and Background

To ensure that all information processed through the payroll system is authorized at the appropriate level and is supported by written documentation.

8.01 Policy

To establish specific hiring and appropriate payment procedures.

8.02 Procedures

New Employee

8.02.01 New employees shall receive an orientation within first day of work by the Human Resources Department.

8.02.02 A Personnel Action Notice is completed by the Account Clerk III/Payroll. The form is approved and signed by the Department Head and City Manager.

8.02.03 The employee will complete all of the applicable forms in the Employee Orientation package as well as Employee emergency information. Copies are given to Payroll for the employees benefit file.

8.02.04 The Employee Forms, Hiring Checklist and supporting documentation will be retained by the Human Resources Department for approval and filing.

8.02.05 After all documents has been signed, a personnel file is created, and the employee is set up in the Payroll system. Documents are filed in the employee's personnel file.

8.03 Termination

8.03.01 The Department Director may recommend to the City Manager that an employee is to be terminated, for cause, from probation, or any other action. All applicable provisions in the City Personnel Rules and Regulations regarding due process/progressive discipline shall be followed.

8.03.02 The Personnel Action Notice is completed by the Account Clerk III/Payroll. The Department Head and City Manager sign the Personnel Action Notice.

Policy Title: Payroll

Policy : Payroll Policies and Procedures

8.03.03 Personnel Action Notice is filed in employee's personnel file and a copy is forwarded to the Payroll Department.

8.03.04 Payroll Department prepares final paycheck and calculates any accrual balance due the employee. Final check will be signed and forwarded to Human Resources or Department Head of discussed employee.

8.03.05 The City Manager and/or the Human Resources Department will conduct an exit interview with the employee and will ensure that all keys, gas cards, City issued ID cards and/or City property have been returned, and petty cash and travel advances have been cleared, if applicable.

8.03.06 Cobra information is sent to the ex- employee upon termination.

8.04 Payroll Changes

Changes to existing data will be initiated when the appropriate form is submitted to the Payroll Office. The City uses the following forms to process payroll changes:

8.04.01 Employee Personal Action Notice – Used primarily for changes in employee's status or pay rate.

8.04.02 Change of Address Form.

8.04.03 Health and Welfare Benefit Enrollment Form – For electing insurance options.

8.04.04 IRS Form W-4 – Used for changes to tax withholding status (form processed by Payroll Department only).

8.04.05 Direct Deposit Authorization Form – To set an employee up for automatic payroll check deposit (processed by Payroll Department only).

8.04.06 457 distributions are made through the Payroll Department

8.05 Timekeeping and Labor Distribution

8.05.01 Purpose to ensure that payment for salaries and wages are made in accordance with documented time records and that employee time is properly allocated.

Policy Title: Payroll

Policy : Payroll Policies and Procedures

8.05.02 Policy Each new employee will receive an orientation program on proper timekeeping and labor charging practices.

8.05.03 Labor hours will be accurately recorded and any corrections to timekeeping records, including the appropriate authorizations and approvals, are documented. All labor transfers or adjustments of the labor distribution are documented and approved. The employee's overtime will be approved in advance by his/her supervisor and Department Director; an overtime form will be signed by the supervisor.

8.05.04 Procedure

Timesheet Preparation

8.05.04.01 Each employee will submit a timecard on a biweekly form (from the 1st Tuesday to 2nd Monday). The timesheet is dated with the payroll start/end date and signed in ink by the employee and his/her immediate supervisor.

8.05.04.02 Any changes to the timesheet will be made in ink by crossing out the error and initialing.

8.06 Labor Distribution

The cost center(s) to which an employee's wages and benefits will be allocated has been pre-established at the beginning of the budget process for each fiscal year. However, any employee working on special projects must indicate the hours worked on the employee's timecard.

8.07 Payroll Processing

Procedure

8.07.01 Recorded hours are keyed from the approved timecard or normal hours for an exempt employee and summarized onto the pre-list printout from Caselle and the totals are then input into the payroll software by the Account Clerk III/Payroll. Additionally, any retroactive pay increases or other pay amounts are entered into the program.

8.07.02 Overtime must be approved by the department head/supervisor in writing before it is given to the Employee. All department heads sign the employee timecards.

Policy Title: Payroll

Policy : Payroll Policies and Procedures

8.07.03 Pay data pre-register is run and batch totals are compared to the timecards and pre list.

8.07.04 The Preliminary Detail Register is reviewed by Finance Director prior to final payroll process.

8.07.05 Upon approval, all payroll reports is printed.

8.07.06 Final payroll reports and batch totals are reviewed and approved by the Finance Director.

8.07.07 Payroll is processed and checks are printed on site by the Account Clerk III/Payroll using the program Caselle.

8.08 Payroll Payment

8.08.01 Purpose to ensure payment for salaries and wages are made only to employees entitled to receive payment.

8.08.02 Procedure

8.08.02.01 Payroll Direct Deposit is sent to the Bank of the Sierra on Wednesday prior to Friday payroll.

8.08.02.02 The Finance Department distributes the checks from the Account Clerk III/ Payroll Clerks office. The department supervisor, representative or employee who picks up the checks is required to sign a distribution log confirming they picked up the checks.

8.09 Payroll Deductions

8.09.01 Purpose to ensure that payroll deductions are authorized and paid to the appropriate third parties.

8.09.02 Policy Employees checks with payroll deductions will be different from those who make payments of payroll deductions to third parties and review payroll deduction payments to third parties. Payroll deductions will be recorded in appropriate accounts and reconciled with payments made to third parties.

Policy Title: Payroll

Policy : Payroll Policies and Procedures

8.09.03 Procedures

8.09.03.01 After payroll has been processed; an edit list of all deductions is generated and reviewed. The deductions are set up on a recurring voucher through payroll. A deduction report is generated for each payee, which is used as supporting documentation for the check.

8.09.03.02 Payments are processed through the Payroll System. Once payroll is closed and updated to the general ledger, the general ledger control accounts will be analyzed monthly and reviewed by the Finance Director.

8.09.03.03 Deductions mandated by federal or state agencies or a court of law will be processed in the above manner. The employee will receive a copy of the withholding order, if applicable. The deduction will be set up for either a flat dollar amount or percentage. An accumulator will track the deductions and will indicate when the required dollar amount has been withheld. Once a deduction meets the specified requirements, withholding will be discontinued.

8.09.03.04 Employees who choose direct deposit for their paychecks will complete a Direct Deposit Authorization Form and forward it to Payroll. Direct Deposit will commence 1st payroll cycle after Direct Deposit is received to allow for verifying the pre-note.

8.10 Payroll Taxes

The Finance Department is responsible for ensuring that all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. Payroll taxes are paid on pay dates through the Bank of the Sierra.

Policy Title: Travel Policy Statement
Policy : Accounting Policies and Procedures Manual

9.00 Purpose and Background

To set forth the policy for official City travel for reimbursement of expense incurred by City Council members, appointed officials, members of special boards, commissions, committees, and employees while traveling overnight on official City business. This policy shall not apply for commuter (local) training seminars and local City business expenses, nor is it intended to supersede P.O.S.T. reimbursable travel policies established by the State of California. The governing rule for all City travel expenses shall be availability, economy, convenience, and propriety.

9.01 Travel Policy

9.01.01 The City shall provide reimbursement for expenses directly related to attendance at approved conferences, seminars, meetings, and other official functions/purposes.

9.01.02 Official travel is planned, approved, budgeted, and controlled at the Department level, except in specific cases described below.

9.01.03. Authorized travel approved in the annual budget requires no further approval beyond the department level. If, however, it becomes apparent that the total travel cost will exceed the budget estimate, the approval of the Finance Director must be obtained.

9.01.04 Unbudgeted, unplanned travel requests shall be submitted by the Department Head to the Finance Director who will forward the requests to the City Manager for approval. Such requests shall include the proposed funding source for the travel (other travel cancelled, reprogramming of other funds within the department, etc.).

9.01.05 The City Manager shall adopt and enforce administrative procedures that assure that all Cities authorized travel is:

9.01.05.01 Paid directly by the City or reimbursed to the traveler based on actual, itemized expenses or should be covered by per diem payment.

9.01.05.02 The City's per diem rate for Meals and Incidental Expenses (M&IE) shall be equal to the U.S. General Services Administration's (GSA) M&IE rates.
(www.GSA.gov)

9.02 Procedure

9.02.01 Each Department Head shall include all planned trips in the Department's annual budget requests. The Travel Authorization Form shall be used as a planning/cost estimation guide. For unbudgeted, unplanned travel, the same form shall be prepared at the time travel is requested.

Policy Title: Travel Policy Statement
Policy : Accounting Policies and Procedures Manual

9.02.02 All requests for travel advances shall include the original Travel Authorization Form signed by the Department Head.

9.02.03 The Travel Expense Claim Form shall be used to file the final travel claim with the Finance Director. A copy of the Travel Authorization Form must be attached.

9.02.04 The Finance Department shall make a record of all travel payments on the original Travel Authorization Form.

9.03 Continuity of City Government Policy

With the advent of different modes of rapid transportation, there is the possibility of accidents injuring or killing several people simultaneously. Since Council Members are required to attend conferences, conventions and meetings outside City Hall, it is desirable to require that whenever possible, no more than two members of the City Council use the same transportation at the same time.

When it comes to the Council's attention that a conference, convention, or meeting in which transportation is required, Council Members shall make an effort to arrange their itinerary so that no more than two members of the City Council use the same transportation. The City Clerk shall be utilized to provide alternate travel arrangements where necessary in order to comply with this policy.

This policy will help insure that there will be a continuity of City government and that there is always a majority of Council members capable of fulfilling the responsibilities placed upon them by the City.

In addition, the City Manager, Department Heads and other key personnel should use the same guidelines in traveling separately on official business wherever practicable.

Instructions – Filling Out Travel Forms

- Before travelling, fill out a Travel Authorization Form (name, division, location of travel, purpose, dates, etc.).
- If travelling employee would like to receive an Advance of Payment, indicate such on the Travel Authorization Form. (Use if receiving an advance for per diem, hotel, etc.).
- An employee can request per diem or submit actual receipts for their expenses. The per diem calculations are available at: www.GSA.gov/perdiem Use this site to locate the per diem rate for the primary destination.
- Find the STATE where the trip will be – review the list of Cities and corresponding Meal & Incidental Expenses (M&IE) rate, please note, M&IE rate for FIRST and LAST day is 75% of the full day rate
 - Example: for Monterey, CA – full day per Diem \$64.00, First and Last day rate \$48.00 (75%). If travelling for only two days then the rate is 75% of the full day per diem for each of the days.
- If some meals are included in the conference or seminar registration cost, you can calculate the correct per diem by using the breakdown of the per diem amount. Click on Meals & Incidental Expenses Breakdown; refer to **Section 301-11.18 of the Federal Travel Regulation** (Highlighted Text in paragraph).
 - Example: Breakdown for \$64.00 per diem amount is: Breakfast \$12.00, Lunch \$18.00, Dinner \$31.00 plus \$3.00 incidental expense. If a meal is included with the seminar or class, deduct that meal's rate and claim the balance.
- Enter Per Diem rates on Travel Authorization Form in addition to all other expenses, sign, date, and route to Accounts Payable.
- After travel is completed, fill out the Travel Expense Claim Form within 10 days, listing ALL expenses incurred for the travel. Indicate the method of payment for each expense. Attach all receipts and route to Accounts Payable.
 - If no reimbursement is required, submit Travel Expense Claim Form with receipts and indicate "No Reimbursement Required"

**CITY OF CALIFORNIA CITY
TRAVEL EXPENSE CLAIM FORM**
Due within 10 days after travel is complete.

Employee: _____ Dept. _____

- A. I incurred the following official expenses to accomplish approved City travel.
All receipts are attached.

	Amount	Method
Airline Fare	_____ \$0.00	
Lodging	_____ \$0.00	
Car Rental	_____ \$0.00	
Other Transportation	\$0.555 x _____ miles	
* Mileage Rate \$0.565/mile through 12/31/13; \$0.56 beginning 1/1/14	_____ \$0.00	
Gasoline/Parking	_____ \$0.00	
Registration Fee	_____ \$0.00	
Telephone Calls	_____ \$0.00	
Per Diem _____ x _____ days=	_____ \$0.00	
Travel Day Per Diem _____ x _____ days=	_____ \$0.00	
Other Expenses	_____ \$0.00	
Total Expenses	_____ \$0.00	

Prepaid/Advanced _____

- B. _____ Reimbursement Requested _____ Refunded to City _____ \$0.00

Official travel (exclusive of leave) was from _____ to _____.

- C. I claim per diem accordingly. Yes / No

Signature of Employee Date

Signature of Department Head Date

Finance Department Date

Don't forget ->

Attach all receipts to travel expense form.

Updated: 6/13/12

City of California City Travel Authorization



Name: _____ Division: _____

Location: _____

Purpose*: _____

*PLEASE ATTACH A COPY OF THE CLASS OR CONFERENCE REGISTRATION INFORMATION.

Dates: _____ to _____ Budget Number: _____

Travel Advance Requested? _____ If Yes, Amount: _____

Estimated Expenses:

Airline Fare _____

Lodging _____ x _____ days = _____

Car Rental _____

Other Transportation (Bus, Taxi) _____

Gasoline/Parking _____

Registration Fee _____

Telephone Calls _____

Per Diem - visit: <http://www.qsa.gov/perdiem> _____

Full Rate Per Diem Days _____ x _____ days = _____

First & Last Travel Day (75% of Full Rate) _____ x _____ days = _____

Other - _____

Total Estimated Expenses: _____

Signature of Employee _____ Date _____

Signature of Department Head _____ Date _____

Signature of Finance Director _____ Date _____

Policy Title: Cash Receipts Policy and Procedures
Policy : Accounting Policies and Procedures Manual

10.00 Purpose and Background

10.00.01 All cash receipts will be deposited at a minimum of an every other business day basis (assuming we have full staff on that day).

10.00.02 To ensure amounts received are deposited timely and are recorded in the proper bank account and general ledger accounts(s). Appropriate internal controls are crucial to reduce the potential for errors and omissions, safeguard the assets of the City and provide reasonable assurance of the reliability of the financial records.

10.01 Cash Received at City Hall

10.01.01 Checks are stamped on the reverse as "For Deposit Only"

10.01.02 The Accounting Clerk indicates the coding on the remittance advice and posts the receipts to either the subsidiary ledger (utility payments or A/R payments) or the general ledger. The Accounting Clerk then prepares an adding machine tape of the checks and affixes it to the checks.

10.01.03 Cash receipts that are received by the Finance Office are stored in the safe.

10.01.04 Accounts receivable is validated and posted daily.

10.01.05 Cash, Checks and Credit Card transactions are reconciled to the deposit documentation, the next business day, for verification by the treasurer or designee for deposit.

10.01.06 Receipts provided by the finance department are given to customers in numeric order for ease of reconciliation.

10.02 Cash Received at the Programs

Cash provided to City Hall by the Police Department: (all funds to include OHV, PD Records and Warrant monies).

10.02.01 Cash and checks are provided to the City Treasurer or designee by PD personnel in sealed plastic money bags.

10.02.02 All cash is counted by the Treasurer and validated by PD personal; entries are made in a finance log as well as a police department furnished log.

10.02.03 Treasurer places all cash receipts and supporting documentation into a blue money bag and provides the bag to finance for processing into Caselle.

10.02.04 Finance provides receipts to the police department after processing.

Policy Title: Cash Receipts Policy and Procedures
Policy : Accounting Policies and Procedures Manual

10.02.05 Cash received is combined with other monies received and deposited into the general account the next business day.

Cash provided to City Hall by the Parks and Recreation:

10.02.06 Cash and checks are provided to the Finance Department by the Park and Recreation personnel in money bags or envelope. Monies are carried in during business hours. If money is left by Park and Recreation after hours, it is placed in the drop box and a voice mail is left regarding the amount.

10.02.07 All cash is counted by the Finance Department; entries are made in a Finance log book and initialed by the both department's staff.

10.02.08 Finance department processes payment(s) into Casselle. All cash receipts and supporting documentation are filed in the finance office.

10.02.09 Finance provides receipts to the Park and Recreation department after processing.

10.02.10 Cash received is combined with other monies received and deposited into the general account the next business day.

Cash provided to city hall by the Dial a Ride:

10.02.11 Cash and checks are provided to the Finance Department by Dial-A-Ride in money bags. Monies are carried in during business hours.

10.02.12 All cash is counted by the Finance Department; entries are made in a Finance log book and initialed by the both department's staff.

10.02.13 Finance department processes payment(s) into Casselle. All cash receipts and supporting documentation are filed in the finance office.

10.02.14 Finance provides receipts to the Dial-A-Ride after processing.

10.02.15 Cash received is combined with other monies received and deposited into the general account the next business day.

Cash provided to city hall by the Fire Department:

10.02.16 Cash and checks are provided to the Finance Department by the Fire Department. Monies are carried in during business hours.

10.02.17 All monies received are counted by the Finance Department in the presences of Fire Department person providing the money.

Policy Title: Cash Receipts Policy and Procedures
Policy : Accounting Policies and Procedures Manual

10.02.18 Finance department processes payment(s) into Casselle. All cash receipts and supporting documents are filed in the finance office.

10.02.19 Finance provides a receipt to the Fire Department person after processing.

10.02.20 Cash received is combined with other monies received and is deposited into the general account the next business day.

Cash provided to city hall by the Airport manager:

10.02.21 Cash and checks are provided to the Finance Department by the Airport Personnel. Monies are carried in during business hours.

10.02.22 All monies received are counted by the Finance Department in the presences of Airport person providing the money.

10.02.23 Finance department processes payment(s) into Casselle. All cash receipts and supporting documents are filed in the finance office.

10.02.24 Finance provides a receipt to the Airport person after processing.

10.02.25 Cash received is combined with other monies received and is deposited into the general account the next business day.

Reconciliation of Bank Deposits

On a monthly basis, the accountant, who does not prepare the initial cash receipts listing of bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the monthly bank statement. Any discrepancies shall be immediately investigated and reported to the Finance Director, City Treasurer, and City Manager.

Policy Title: Fiscal Year – End Closing Procedures
Policy : Accounting Policies and Procedures

11.00 Purpose

To ensure the accuracy of and timeliness of year-end financial reports.

11.01 Policy

This policy applies to the preparation of the year-end financial statements which are provided to our independent auditing firm.

11.02 General Provisions

11.02.01 All City bank statements will be reconciled to the general ledger. In addition, a thorough analysis will be made of all City investment accounts and reconciled to the general ledger.

11.02.03 Prepaid accounts (prepaid insurance, prepaid rents, etc.) will be recorded as an asset and be allocated the following fiscal year.

11.02.04 A physical count will be taken for the City's office supplies and water meters at June 30, 20xx and the inventory accounts will be adjusted accordingly to reflect the actual inventory count at year-end. For fiscal year-end purposes, the city will utilize the purchase method for recording inventory expenses.

11.02.05 Fixed assets, including land, building, machinery and equipment, with an acquisition cost of \$5,000 or more and a life of 5 years, will be subject to accounting and reporting (capitalization). The straight line method of depreciation will be used to record annual depreciation. In addition, finance will work with the management on an annual basis to insure that the fixed asset listing only reflects those assets that are in working order.

11.02.06 The City's finance department will record the annual accruals for accounts receivable, state distributions due, federal distributions due, interest receivable due, and any other receivables that may apply.

11.02.07 The City's finance department will also record the annual accruals for accounts payable, interest payable, and any other payables that may apply.

Policy Title: Fiscal Year – End Closing Procedures
Policy : Accounting Policies and Procedures

- 11.02.08** Compensation balances for unused vacation and sick leave benefits (vested) are accrued when incurred in the government-wide financial statements. Vacation pay is payable to employee at the time a vacation is taken or upon termination of employment. Upon termination an employee will be paid for one-half of any unused sick leave. The vested portion of these compensated absences is accrued at June 30, 20xx.
- 11.02.09** A liability will be set up for those salary and benefits payable at the end of the fiscal year. For example, if a city employees works in the prior year and is paid the following (new) year, a liability will be set up to account for those salary and benefits incurred in the old year. This accounting practice is referred to as accrued payroll.
- 11.03.10** Debt Service Funds: Debt service funds are to be adjusted annually to reflect the principal payments made on long-term debt financing.
- 11.03.11** The City's finance department will also record and reconcile all inter-fund receivables, payables, and inter-fund transfers.
- 11.03.12** During the year and also as part of the fiscal year-end process, finance will insure that all journal entries have appropriate back up to substantiate the entry (s).
- 11.03.13** The City's finance department will be responsible to insure that all applicable governmental accounting standard board (GASB's) and other legal requirements are complied with and are properly reflected in the annual audited financial statements.

Policy Title: Audit Policy and Procedures
Policy : Accounting Policies and Procedures

12.00 Policy

It is the policy of the City of California City to arrange for an annual audit for the City of California City's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by the City Council will be required to communicate directly with the City Manager, City Council and Finance Director upon completion of their audit.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the City Council for their review and approval, after the financial statements have been reviewed and approved by the Finance Director.

12.01 How Often to Review the Selection of the Auditor

12.01.01 Anytime there is dissatisfaction with the service of the current firm.

12.01.02 When a fresh perspective and new ideas are desired.

12.01.03 Every year to ensure a competitive pricing and a high quality of service (this is not a requirement to change auditors every year; simply to re-evaluate the selection).

12.02 Selecting an Auditor

12.02.01 The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. A written request for Proposal (RFP) will be sent to prospective audit firms.

12.02.02 The City Manager, Finance Director and other management staff will review the prospective audit proposals and make recommendations to the City Council

12.03 Preparation for the Annual Audit

The City of California City shall be actively involved in planning for and assisting with the City's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the Finance Department shall provide assistance to the independent auditors in the following areas:

Policy Title: Audit Policy and Procedures
Policy : Accounting Policies and Procedures

12.03.01 Planning – The Finance Director is responsible for delegating the assignments and responsibilities to finance staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.

12.03.02 Involvement – City staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.

12.03.03 Interim Procedures – To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the City's year-end. By performing significant portions of the audit work as of an interim date, the work required subsequent to year-end is reduced. City staff will do as much as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed.

12.04 Audit Findings

As part of the annual audit process, the auditors perform an audit of the City's internal control structure (cash, accounts payable, payroll, etc.) and make recommendations on how the City can enhance the City's internal control structure. Once the audit findings are presented to City staff, the following will take place:

12.04.01 City staff will identify the root cause of the audit finding (s). For example, why were bank deposits not done a timely basis?

12.04.02 What type of corrective action is needed to address the audit finding?

12.04.03 What is the target implementation date?

12.04.04 Present audit findings and proposed solutions to the City Council.

12.05 Unannounced Audits

The finance department will conduct unannounced audits of departments on a periodic and on an as needed basis. The purpose of the audits will be to examine the financial records and underlying support submitted to the finance department to provide reasonable assurance that what is submitted exists, is complete, and is accurate. The results of the audit will be reported to the City Manager and the respective department manager.

AUDIT FINDINGS AND CURRENT YEAR RECOMMENDATIONS

Material Weaknesses

2014-01 Finding – Adjustments Detected by the Audit Process:

During our fieldwork, we noted that there were material adjustments detected by the audit process.

Effect:

Adjustments detected by the audit process indicated that there are weaknesses in the City's internal control structure and closing process, which increases the risk of material misstatement.

Recommendation:

We recommend that efforts be made by the City to enhance closing procedures.

Management's Response:

Per staff's discussion with auditor, material adjustments were mainly due to the SDI fund (Investment Accounting). The City recently hired an accountant who will play a major role in addressing the SDI investment accounting for the City.

Root Cause:

Weaknesses in the City's internal control structure and closing process

Corrective Action: Establishing an Accounting policies and procedures manual containing effective policies and procedures for monthly closing procedures and implementing those policies and procedures when closing the books on a monthly basis.

Target Implementation Date:

- a) Accounting policies and procedures manual that contain policies and procedures that address this issue (**already implemented**);
- b) Monthly closing implementation (**immediate and ongoing**)

2014-02 Finding – Closing Process:

The City has no formal process for closing the year-end. We noted several circumstances where proper recording was not done and documentation to agree to the books and records was not maintained (e.g. accounts payable aging/subsidiary ledger).

Effect:

The City's books and records may be misstated and the possibility for misappropriation is greater without proper procedure.

Recommendation:

Proper internal control requires the City to have a formal closing process that is followed each year. Also, journal entries should be prepared and entered in a timely fashion. Proper documentation should be available to substantiate amounts recorded in the City's books and records.

Management's response:

Staff agrees with the auditor's recommendation and will implement a formal process for closing the year-end. This new policy will be included in our accounting manual which will be presented to council for approval.

Root Cause:

- a) Weaknesses in the City's internal control structure and annual closing process;
- b) Lack of defined policies and procedures for agreeing books to supporting documentation;
- c) Lack of defined policies and procedures for recording journal entries in a timely fashion with supporting documentation attached

Corrective Action:

Establishing an Accounting policies and procedures manual containing effective policies and procedures for a) annual closing procedures; b) agreeing books to supporting documentation; c) recording journal entries in a timely fashion with supporting documentation to journal entries; and then implementing those related policies and procedures on an annual and ongoing basis.

Target Implementation Date:

- a) Accounting policies and procedures manual containing the policies and procedures that address these issues (**already implemented**);
- b) Implementation of these policies (**immediate and ongoing**)

2014-03 **Finding- Documentation of Internal Control Policies and Procedures:**

The City does not currently have its internal control policies and procedures over various functions of finance in written form. The City follows certain procedures based on verbal understanding, however, these should be documented in writing.

Effect

City staff whether old or new may not follow proper procedures in their daily job performance. This could cause a myriad of problems in the City's operations.

Recommendation:

The City should produce proper written policies and procedures for all departments.

Management's response:

City staff is currently in the process of developing an accounting manual which will address internal control policies and procedures which will soon be presented to council for approval.

Root Cause:

Lack of a written Accounting policies and procedures manual

Corrective Action:

- a) Establishing an Accounting policies and procedures manual in written form containing effective policies and procedures over all finance related functions;
- b) Issuing a copy of the Accounting policies and procedures manual to all employees in the finance department to ensure that all who are in the Finance Department are informed as to what the accounting policies and procedures are that govern the finance department

Target Implementation Date:

- a) Accounting policies and procedures manual (**already implemented**);
- b) Issuing a copy of the accounting policies and procedures manual to Finance Department employees (**within a month of Council's approval of the accounting policies and procedures manual**)

Significant Deficiencies

2014-04 Finding – Capital Asset Impairment:

During our audit fieldwork, we noted that the City has not performed an assessment of the net realizable value test on its capital assets.

Effect:

The City may be overstating capital assets and/or assuming liability and paying for liability insurance for impaired assets. Also the carrying amount may be overstated based on value.

Recommendation:

We recommend that the City review capital assets for an assessment of net realizable value on an annual basis or more often and obtain an evaluation of assets at least once a year.

Management's response:

Per staff's discussion with auditor, this recommendation has to do with obtaining the status of infrastructure to make sure it's in working order. Finance will work with management team on an annual basis to insure that the fixed asset listing only reflects those fixed assets that are in working order.

Root Cause:

- a) Lack of a written Accounting policies and procedures manual requiring an annual assessment of the net realizable value of the City's capital assets
- b) No annual assessment of capital assets has been performed up through June 30, 2014

Corrective Action:

- a) Establishing a written containing policies and procedures manual that contain policies and procedures that address this issue
- b) On an annual basis, the Finance Department will send a copy of the most recent capital asset listing and associated depreciation schedule (by department) to each department head requiring the department head to a) indicate which assets are no longer active and/or in the possession of the City as of the end of the prior fiscal year; b) indicate all new capital additions for the fiscal year in question; c) return a copy of the updated capital asset listing and associated depreciation schedules
- c) The finance department will then evaluate the asset listing and depreciation schedules for reasonableness and update the current year depreciation and accumulated depreciation as of the end of the fiscal year. Once the depreciation schedules are updated, the finance department will then use the updated depreciation schedules to update the general ledger accordingly

Target Implementation Date:

- a) Accounting policies and procedures manual that contain policies and procedures that address this issue **(already implemented)**;
- b) Sending out copy of the most recent capital asset listing and associated depreciation schedule (by department) to each department head **(already done for the fiscal year ending June 30, 2015)**;
- c) Assessing the depreciation schedules and updating the general ledger accordingly **(in process for the FYE June 30, 2015 financial statement audit)**

2014-05 Finding – Payroll Discrepancies:

During the test of internal controls over payroll, it was noted that for one out of 25 employees the pay rate on the payroll register did not agree with the pay rate on the Personnel Action Form. In addition, it was also noted that the person processing payroll also has the ability to change the pay rate.

Effect:

Employees could be paid at a different **rate** from their authorized rate. A misappropriation of funds could occur and go undetected if the payroll person is able to change rates.

Recommendation:

The rates should be changed by someone other than the person processing payroll and verified.

Management's response:

Staff agrees with the auditor's recommendation and is in the process of developing a payroll policy that will address the auditor's concerns. This new policy will be included in our accounting manual which will be presented to council for approval.

Root Cause:

- a) Weaknesses in the City's internal control structure over payroll with no written policies and procedures requiring the person over payroll to update and agree employee information (e.g. employee pay rate) to employee records (e.g. Personnel Action Form);
- b) Settings within City accounting software set to allow payroll personnel to make changes to payroll data for individual employees

Corrective Action:

- a) Establishing an Accounting policies and procedures manual containing effective policies and procedures governing payroll and implementing those policies and procedures when closing the books on an ongoing basis;
- b) Determining and implementing proper settings within City accounting software that reflect a proper segregation of duties over payroll, specifically limiting employee payroll changes to someone other than the person processing payroll

Target Implementation Date:

- a) Accounting policies and procedures manual that contain policies and procedures that address this issue (**already implemented**);
- b) Determining and implementing proper settings within City accounting software that reflect a proper segregation of duties over payroll (**within one month of City Council approval of Accounting Policies and Procedures Manual**).

2014-06 Finding – Building Rent Fees:

During our test of receipts and billings, it was noted that buildings permits were not always calculated correctly through the Iworks System.

Effect:

Fees are not charged correctly in accordance with the council approved fee schedule.

Recommendation:

The Iworks System should be updated to calculate fees correctly.

Management's response:

With the hiring of an accountant, the City's finance department now has better resources available to assist other City departments in improving their financial operations such as performing building permit calculations.

Root Cause:

Fee calculation within Iworks System is not in accordance with council approved fee schedule

Corrective Action:

- a) Iworks system will be evaluated to determine whether or not the fee calculations are in accordance with the most recent council approved fee schedule
- b) A specific person will be appointed to communicate any council approved fee schedule changes to the City employee in charge of making changes to the Iworks system
- c) The City employee in charge of making changes to the Iworks system will make those changes in a timely fashion once notified of those council approved changes
- d) The Iworks system will be subject to “surprise audits” by the finance department to ensure that it properly reflects the most recent council approved changes

Target Implementation Date:

- a) Iworks system being evaluated (**Within a month of Council approval**);
- b) A specific person will be appointed to communicate any council approved fee schedule changes to the City employee in charge of making changes to the Iworks system evaluated (**Within a month of Council approval**) ;
- c) **The last two corrective action items (c & d) will be done on an ongoing and as needed basis**

2014-07 Finding – Lack of Controls over Receipts and Deposits:

During our audit procedures, we noted receipts are not deposited in a timely manner. We noted in our testing that the delay is up to 2 weeks before it reached the bank. Receipts are not given in any particular order to the customers. Also, it is difficult to reconcile the daily receipts to the money deposited by batch.

Effect:

The lack of timely deposits of cash receipts increases the risk of misappropriation of deposits. Because receipts are not given in any particular order to the customers, there is no way to reconcile the deposits with the money received.

Recommendation:

We recommend deposits are made daily or in a timely manner. We also recommend that receipts are given to customers in numeric order so that there can be proper reconciliation of deposits.

Management’s response:

Over the last year, City management has made major changes to the cash management system whereby daily cash receipts are reconciled daily and cash deposits made on a timely basis. In addition, staff will insure that receipts are given in numeric order. During our audit we noted that one person had the ability to go into the System and make adjustments to the billing and accounts receivable without any review or authorization.

Root Cause:

- a) Lack of accounting policies and procedures manual governing cash receipts and deposits; b) Receipts not issued in numeric order; c) no timely reconciliation of cash receipts to cash deposits

Corrective Action:

- a) Establish written accounting policies and procedures manual with policies and procedures governing cash receipts and deposits;
- b) Establish setting within accounting system to issue the receipts in numeric order;
- c) Treasurer will reconcile daily cash receipts to amounts deposits on a daily basis

Target Implementation Date:

- a) Written accounting policies and procedures manual with policies and procedures governing cash receipts and deposits (**Already implemented**);
- b) **Both b and c have already been implemented**

2014-08 **Finding – Journal Entries:**

During our review of journal entries, it was noted that occasionally there was missing back-up information substantiating the entry.

Effect:

Without proper documentation, improper entries could be made in the system.

Recommendation:

Each journal entry should have appropriate back up to substantiate the entry.

Management's response:

Staff concurs with the auditor's recommendation and is in the process of insuring that all journal entries are fully supported by proper documentation.

Root Cause:

No written accounting policies and procedures manual that requires documentation attached to all journal entries

Corrective Action:

- a) Establish written accounting policies and procedures manual with policies and procedures requiring documentation be attached to all journal entries (**Already implemented**);
- b) Immediate implementation of the above-stated policies and procedures

Target Implementation Date:

- a) Establish written accounting policies and procedures manual with policies and procedures requiring documentation be attached to all journal entries (**Already implemented**);
- b) Implementation of the above-stated policies (**already implemented**)

2014-09 **Finding – Inventory:**

There is no perpetual or physical record of inventory values.

Effect:

Inventory may be misstated in the books and records and there is an increased risk of misappropriation without adequate records.

Recommendation:

A perpetual system should be implemented or at a minimum a physical count should be performed at year-end and possibly quarterly or semi-annually.

Management's response:

Staff agrees with the auditor's recommendation and is in the process of developing an inventory policy that will address the auditor's concerns. This new policy will be included in our accounting manual which will be presented to council for approval.

Root Cause:

There has been no perpetual inventory system in place and there has been no annual count of inventory

Corrective Action:

Per discussion with the City's auditors, we will be moving from the consumption method of accounting for inventory (i.e. booking all purchases to inventory and then expensing inventory as used) to the purchases method of inventory (i.e. no longer booking those purchases to inventory, but expensing all purchases as purchased). Thus the City will no longer carry inventory on their books. However, the departments who have inventory (e.g. Water, Airport, and City Hall), will track their inventory using a perpetual inventory system and will perform an annual count of inventory on June 30th of each year

Target Implementation Date: Already implemented as of the end of last fiscal year (i.e. FY 14/15)

2014-10 **Finding – Contracts over Utility Billing:**

Effect:

Billings can be adjusted and receivables written off without proper authorization. This creates a segregation of duties problem which could also lead to a misappropriation of assets.

Recommendation:

All adjustments of write offs of billing ore receivables need to be reviewed and approved by management.

Management's response:

Staff concurs with City's auditor's recommendation and has already implemented a policy to address the auditor's concerns regarding utility billing segregation of duties and has also implemented a management approval procedure.

Root Cause:

Lack of written accounting policies and procedures manual with policies and procedures governing Utility Billing and required management approval for billings and receivables adjustments

Corrective Action:

The Finance Department will establish a written accounting policies and procedures manual with policies and procedures governing Utility Billing and required management approval for billings and receivables adjustments

Target Implementation Date: Already implemented

